



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**

THE GLOBAL CHANGE:
HOW INTERNATIONAL TRADE IS
RESHAPING THE GLOBAL ECONOMY

TÜRKİYE'S LOGISTICS CAPABILITIES

April 2024



AGENDA



**OUTLOOK TO
GLOBAL TRADE &
LOGISTICS**



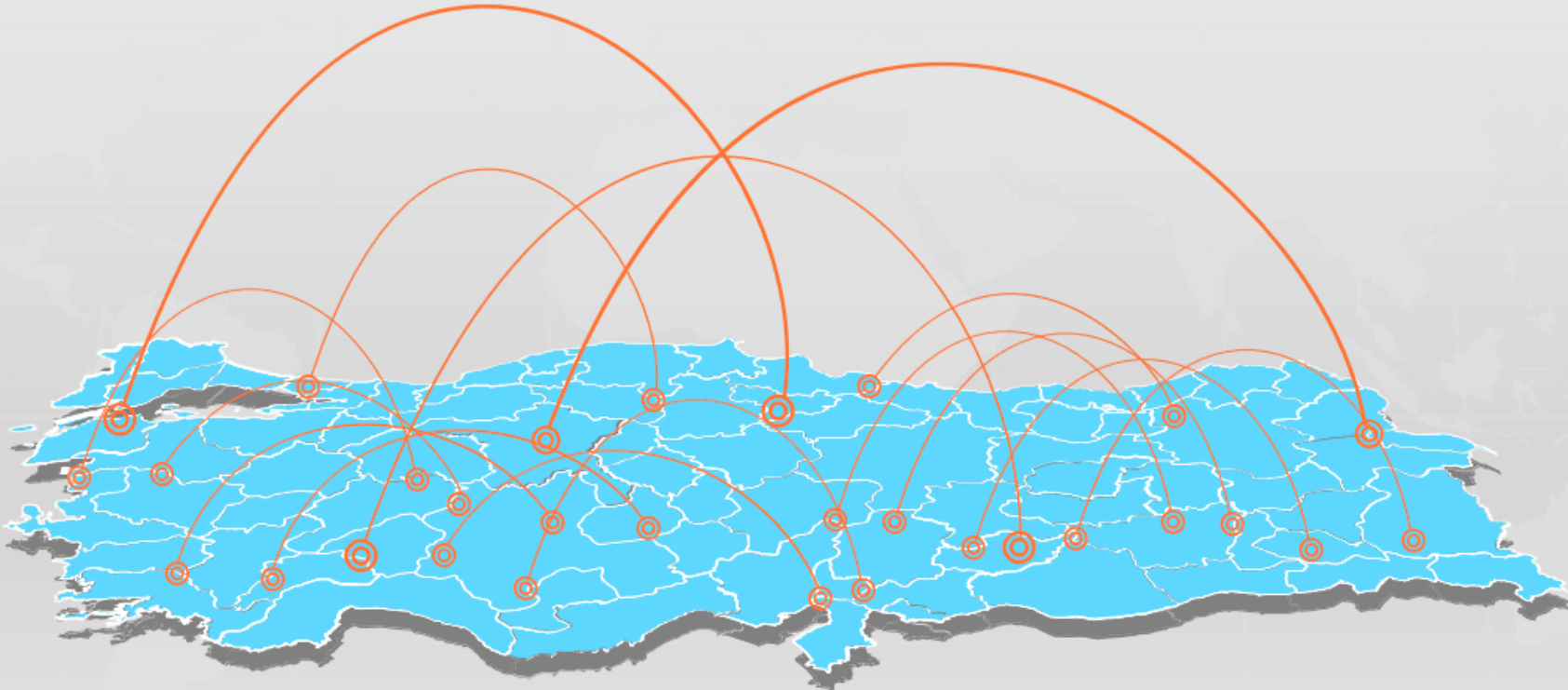
OUTLOOK TO
TRADE & LOGISTICS
IN TÜRKİYE



LOGISTICS
CAPABILITIES
OF TÜRKİYE



GREEN AND
SUSTAINABLE
SECTOR
DYNAMICS





**5 FACTORS
GLOBAL SUPPLY
CHAINS ARE
STRUGGLING
WITH**

**GLOBAL
OUTLOOK**



Labour Unrest



Energy Shortages



The Rising Cost of Living



Extreme Weather



Geopolitical Uncertainty



**TO
RESOLVE THE
SUPPLY CHAIN
CRISIS**

**GLOBAL
OUTLOOK**



Managing Labor Shortage



Easing Transportation Jams



Prioritizing Public Health



Mitigating Geopolitical Tensions



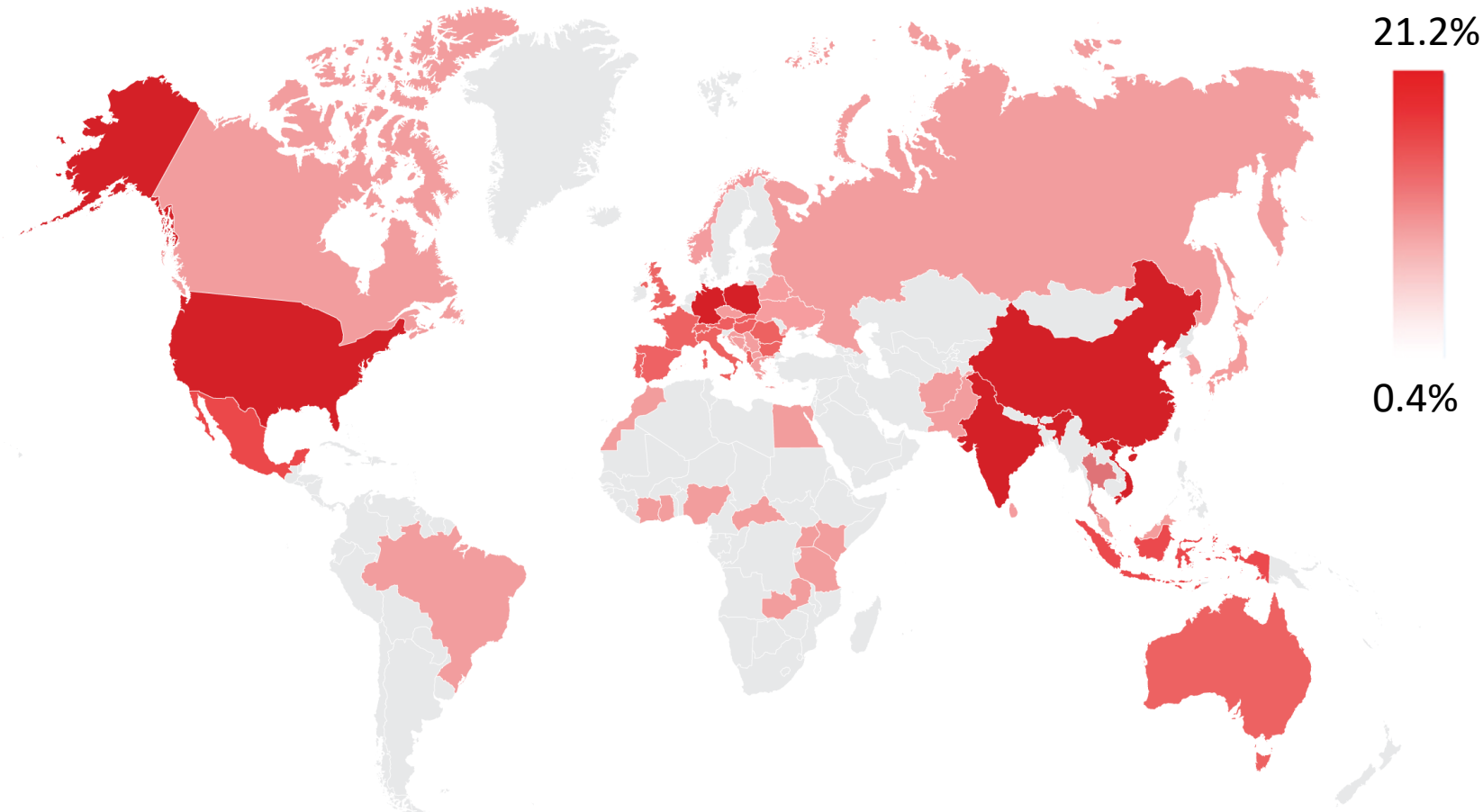
Fighting Anti-Competitive Practices



Boosting Domestic Production Through
On-Shoring and Near-Shoring

CHANGING SOURCING STRATEGY

THE MOST ATTRACTIVE INDIVIDUAL COUNTRIES FOR NEAR-SOURCING AND SHORING



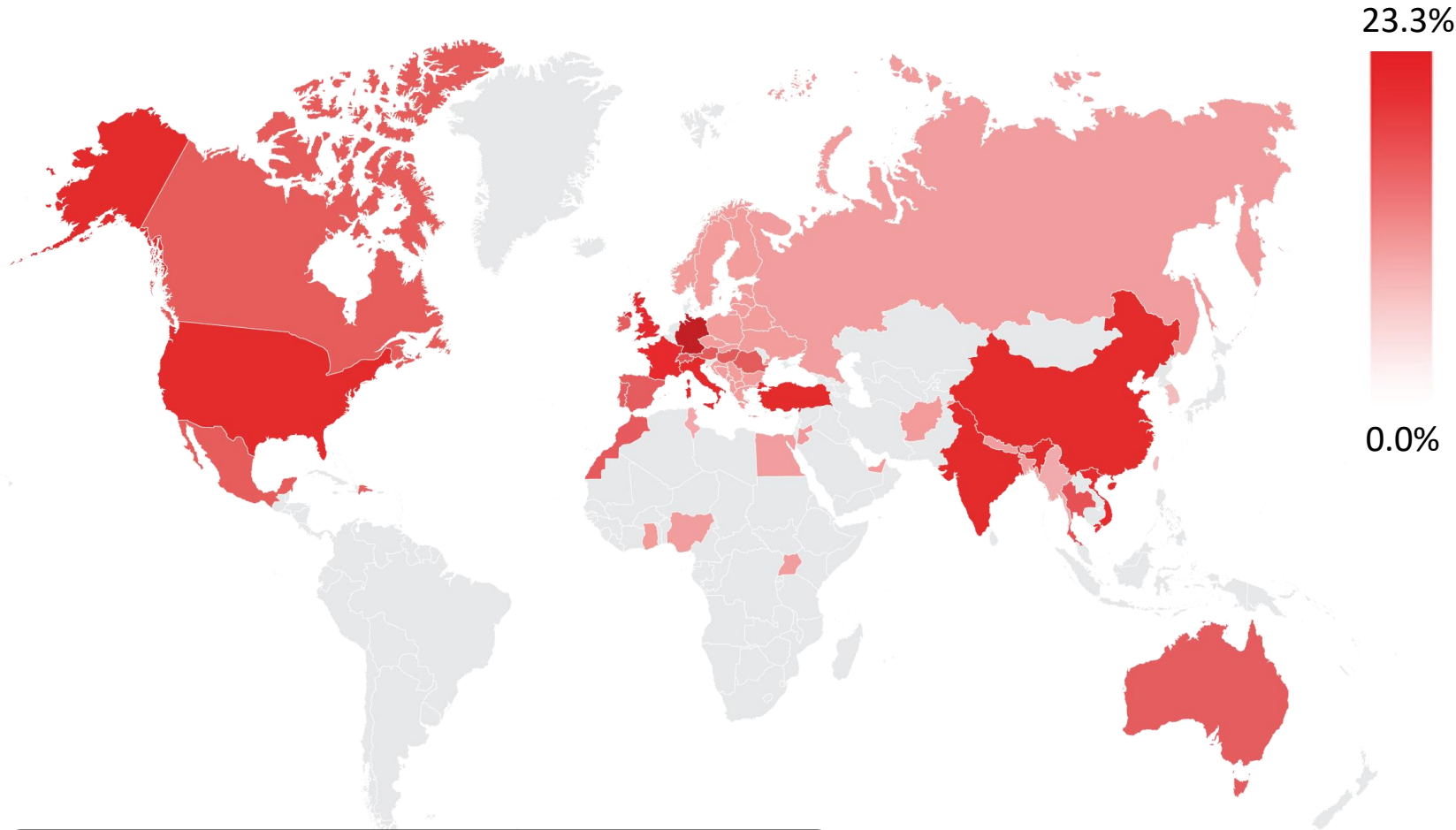
Globally attractive sourcing locations

#	COUNTRY	%
1	Vietnam	21.2%
2	India	20.7%
3	Germany	13.7%
4	Poland	13.3%
5	United States	12.4%
6	China	9.1%
7	Mexico	9.1%
8	Türkiye	9.1%
9	United Kingdom	7.5%
10	Indonesia	7.1%
11	Romania	5.8%
12	France	5.4%
13	Bangladesh	4.6%
14	Hungary	4.6%
15	Italy	4.6%

Shifts in the GVCs enable Türkiye as one of most attractive FDI destinations in the post-pandemic world

CHANGING SOURCING STRATEGY

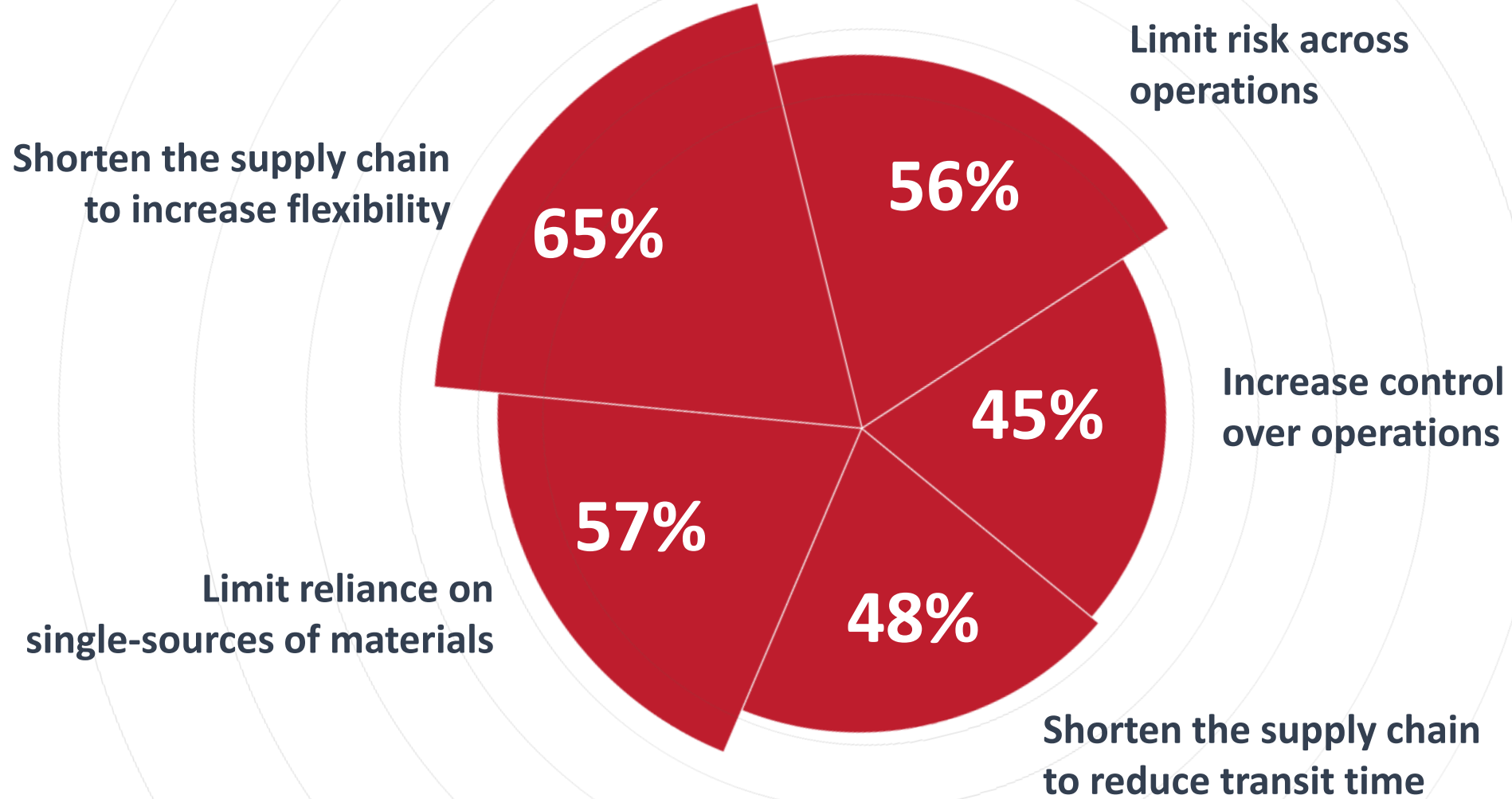
THE MOST ATTRACTIVE INDIVIDUAL COUNTRIES FOR NEAR-SOURCING AND SHORING



Most popular sourcing and reshoring locations for European companies

#	COUNTRY	%
1	Poland	23.3%
2	Germany	19.4%
3	Türkiye	12.4%
4	United Kingdom	10.9%
5	United States	10.1%
6	Vietnam	10.1%
7	France	8.5%
8	Romania	8.5%
9	Czech Republic	7.8%
10	India	7.8%
11	China	7.0%
12	Hungary	7.0%
13	Italy	6.2%
14	Mexico	6.2%

Shifts in the GVCs enable Türkiye as one of most attractive FDI destinations in the post-pandemic world

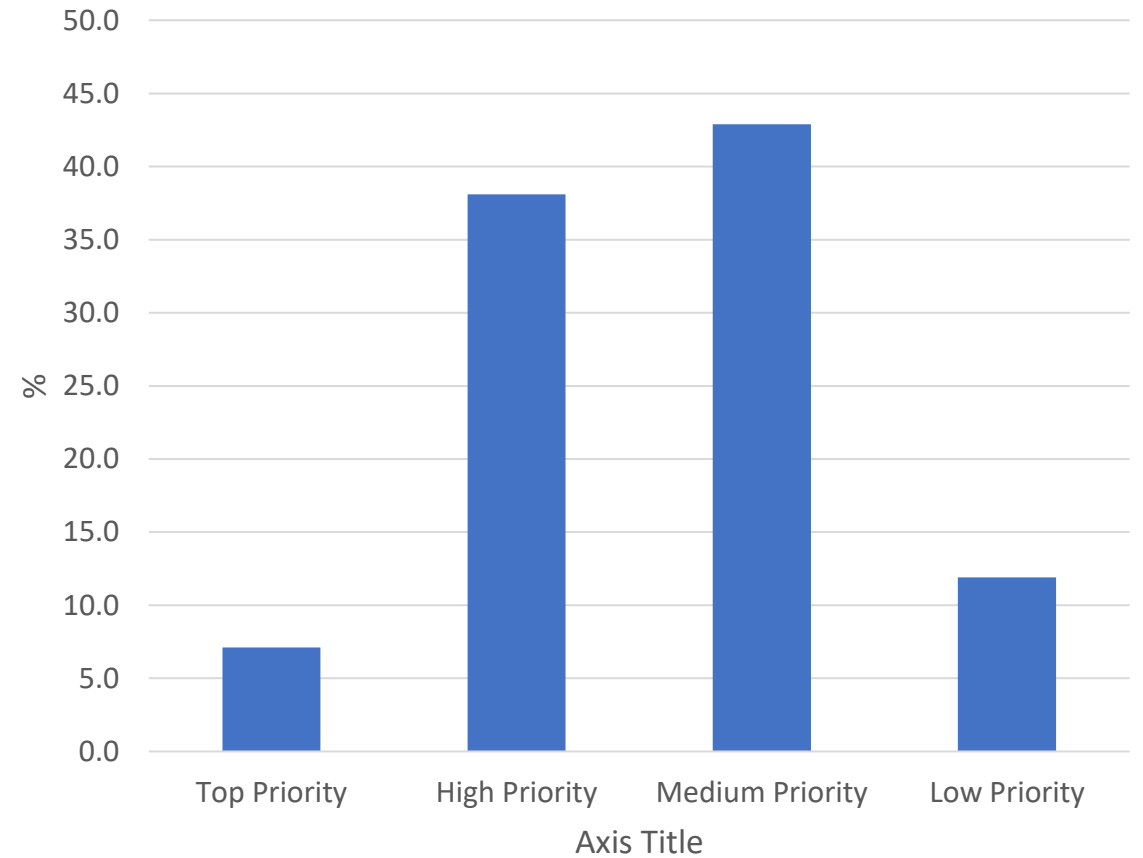




A Generational Shift in Sourcing Strategy –Survey

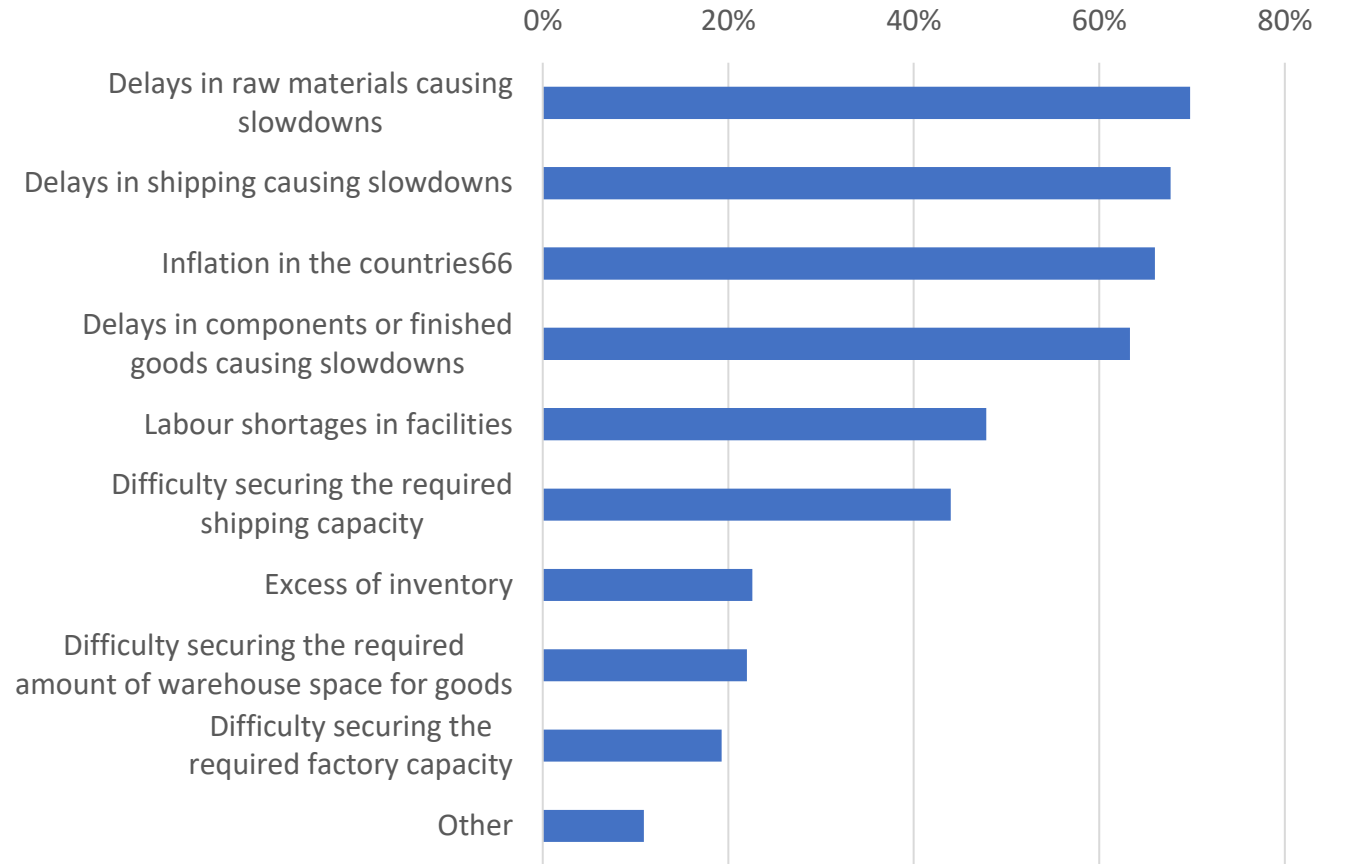
- Shifting Priorities: Evolving Perspectives on Manufacturing Operations
- Revolutionizing Manufacturing: 38% Ready for Change

How high a priority is shifting your manufacturing locations?





What disruptions have yours or your clients' supply chains experienced recently?



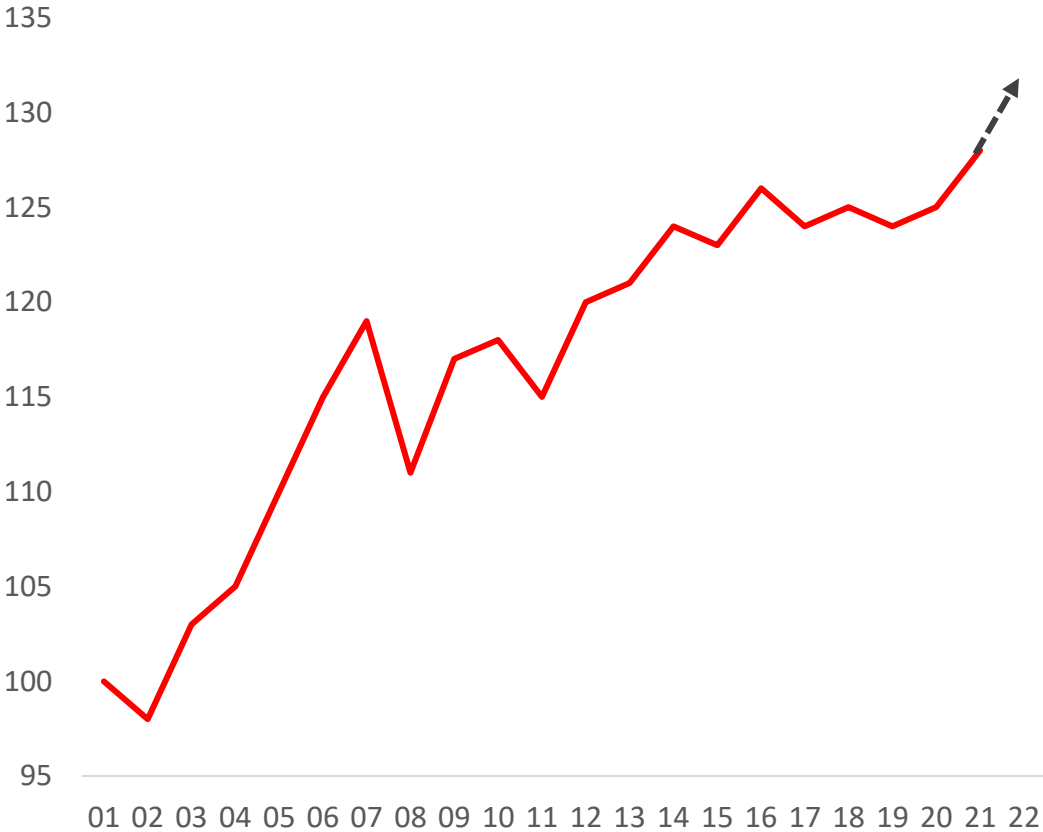
- Supply Chain Disruption: Delays at Every Turn
- Critical Challenges: Inflation, Labor, and Shipping
- Navigating Chaos: Supply Chain Logistics Challenges

WHAT HAPPENED: GLOBALIZATION OR DEGLOBALIZATION

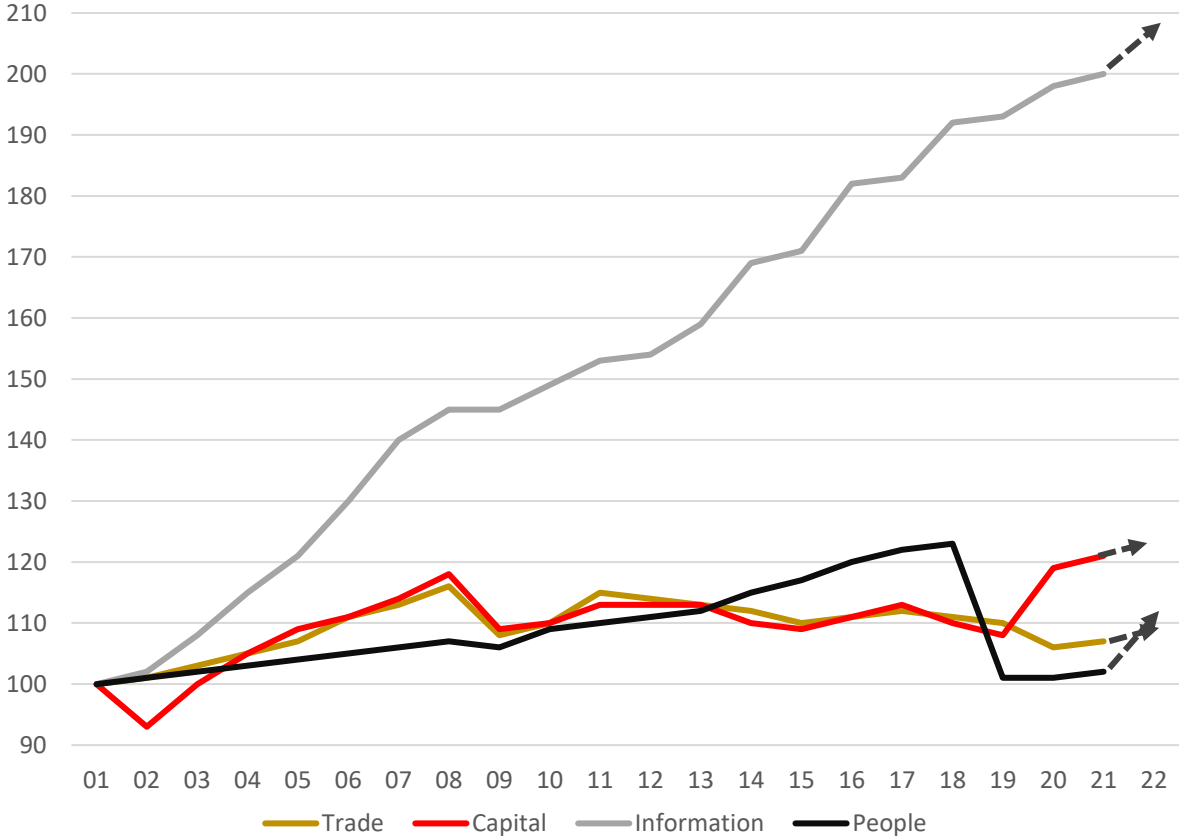
GLOBALIZATION IS RECOVERING FROM THE PANDEMIC IN A MORE ROBUST WAY THAN EXPECTED



Global Connectedness Index 2022 Update



Four Pillars of Global Connectedness 2001-22'



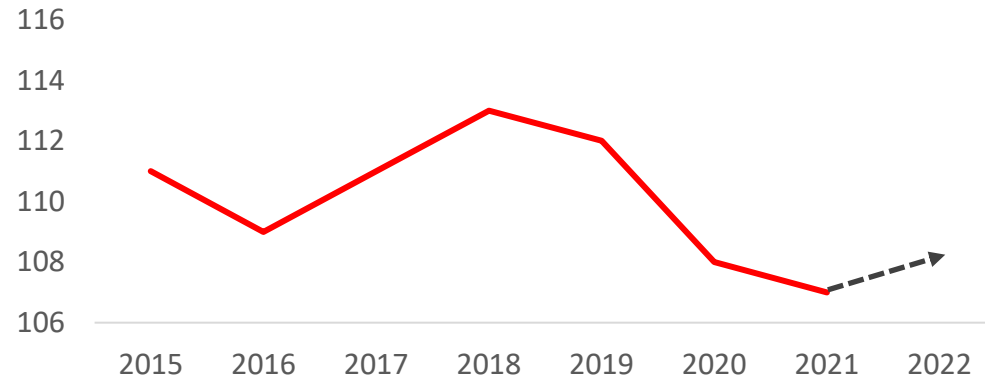
Source: DHL *2022 highest projected data

FOUR PILLARS OF GLOBAL CONNECTEDNESS

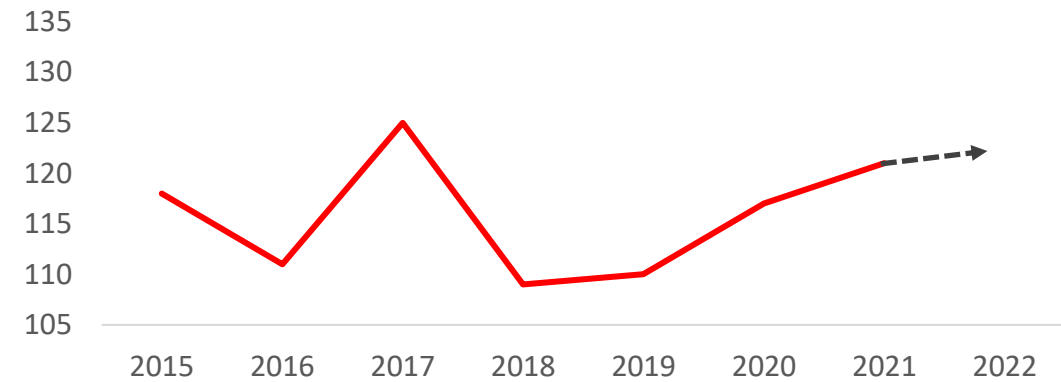
EXCEPT PEOPLE MOVEMENT ALL FLOWS QUICKLY STABILIZED



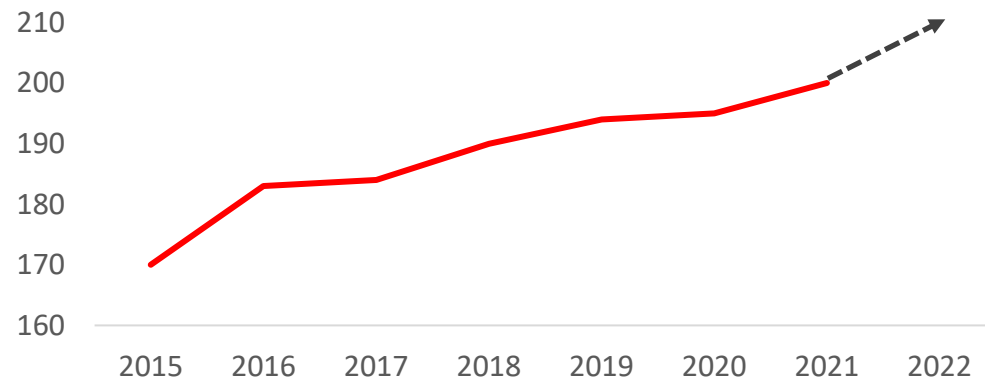
Trade



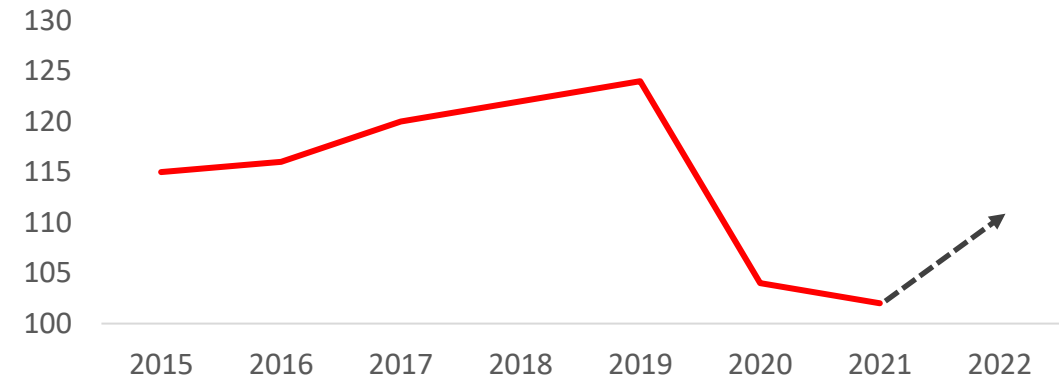
Capital



Information

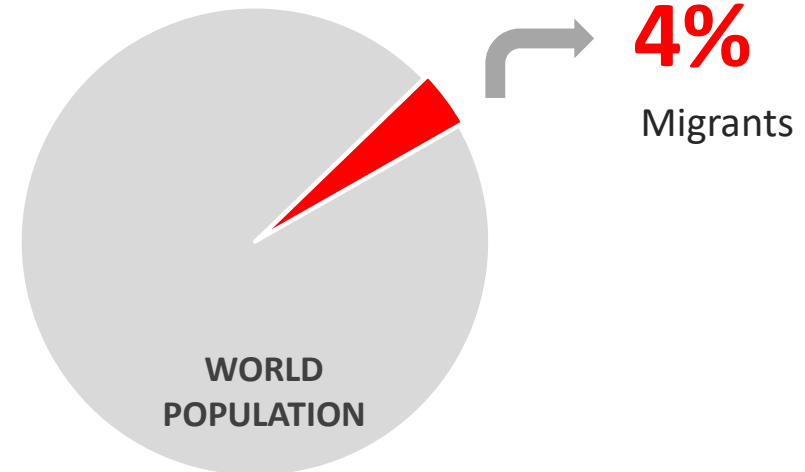
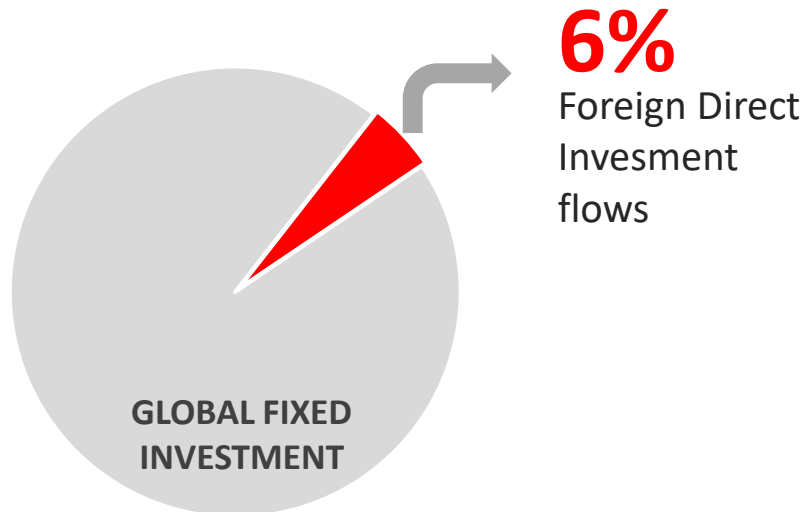
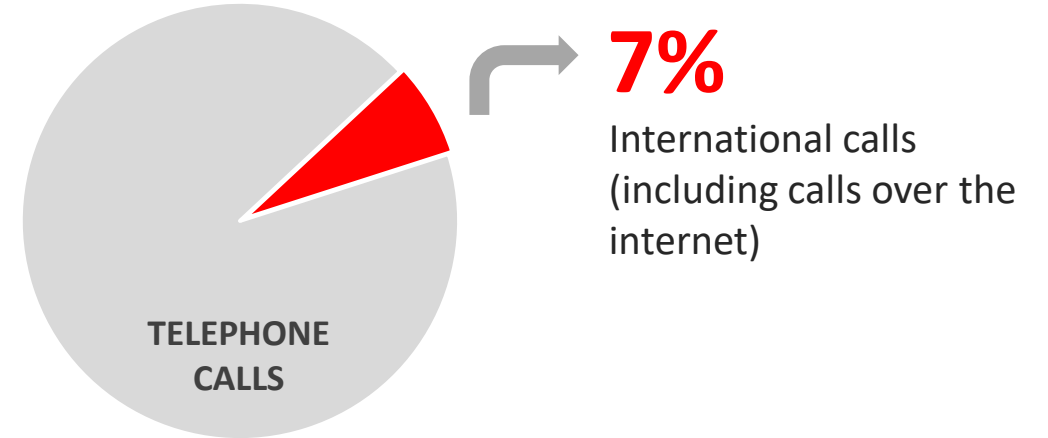
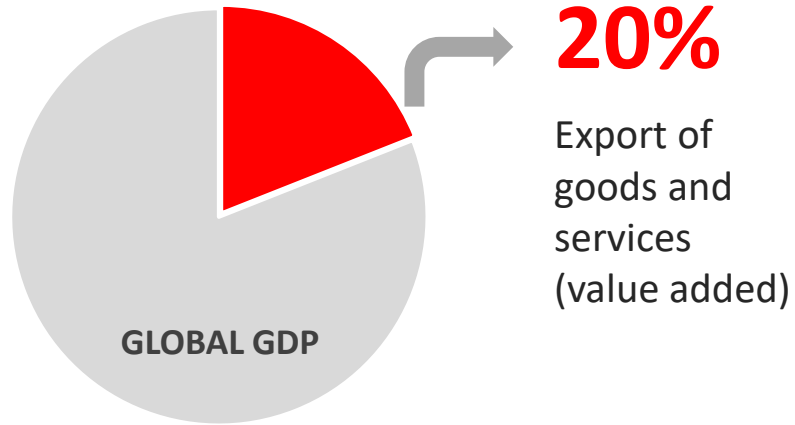


People



FOUR FLOWS THAT CONNECT THE WORLD

MOST FLOWS ARE DOMESTIC RATHER THAN INTERNATIONAL

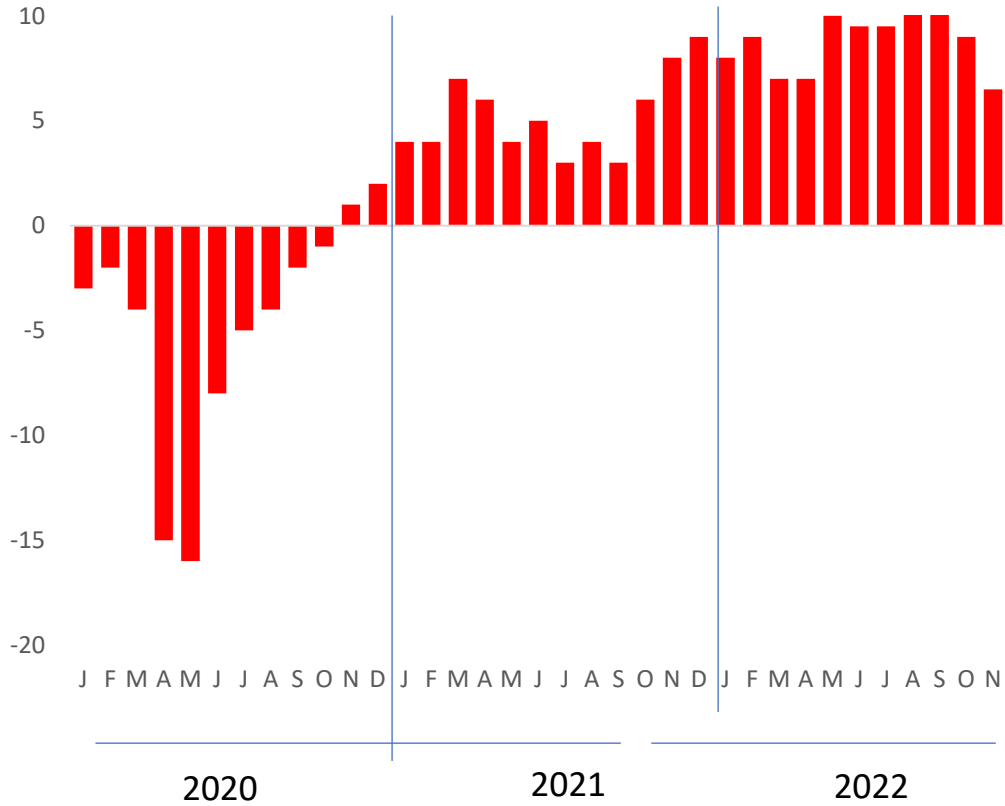


WHAT HAPPENED: WORLD TRADE ACTIVITY

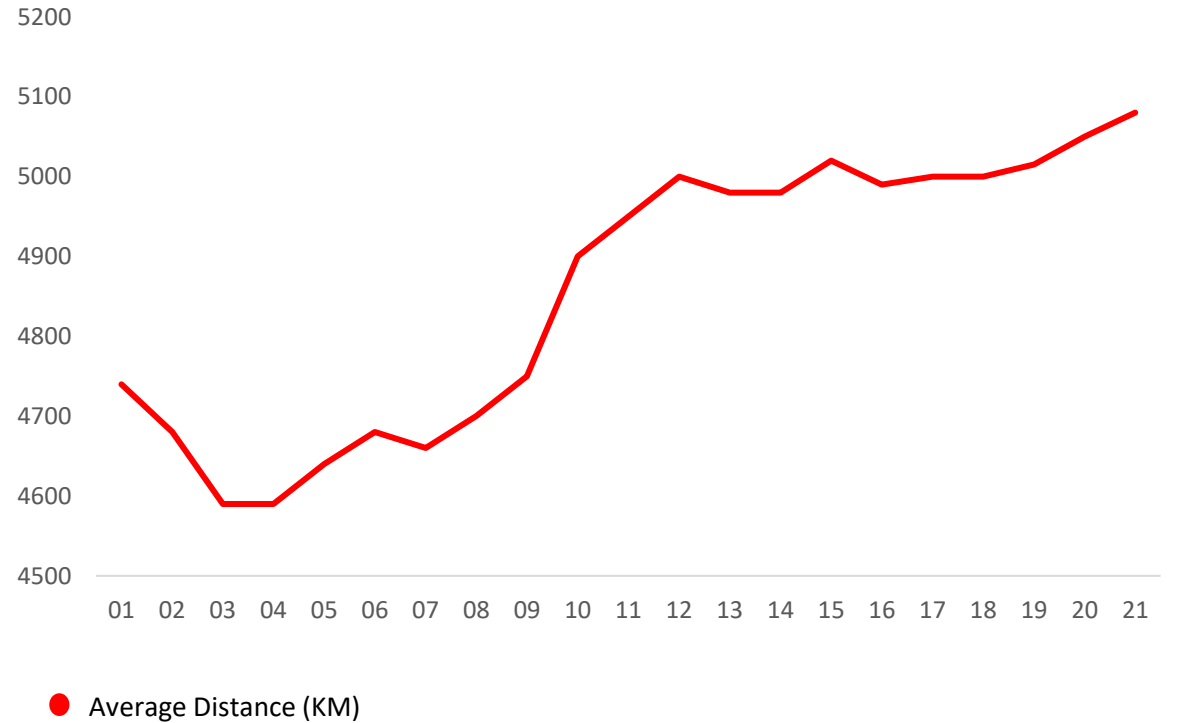
DATA CLEARLY SHOWS THAT TRADE BEGUN REBOUNDED & EXCEEDING PRE-PANDEMIC LEVELS



Merchandise Trade Volume
(vs. Dec. 2019)



Average Distance Traversed by Merchandise Trade
Kilometers, 2001-2021



AGENDA



OUTLOOK TO
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LOGISTICS



**OUTLOOK TO
TRADE &
LOGISTICS IN
TÜRKİYE**



LOGISTICS
CAPABILITIES
OF TÜRKİYE



GREEN AND
SUSTAINABLE
SECTOR
DYNAMICS

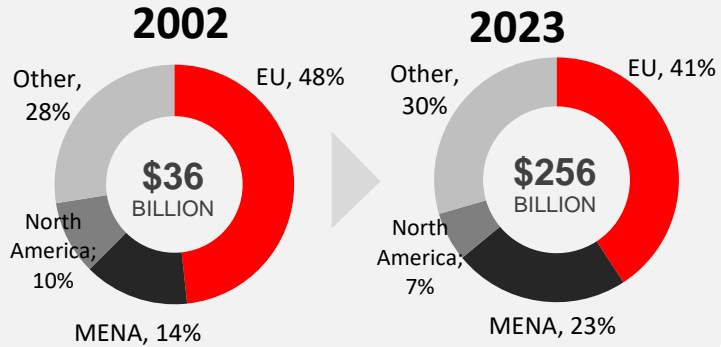


STRATEGIC LOCATION

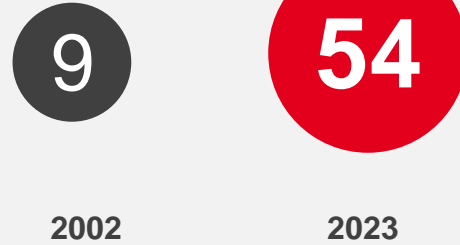
STRATEGIC LOCATION AND ENHANCED PRODUCTION CAPABILITIES ATTRACTING MULTINATIONALS TO INVEST FOR EXPORT



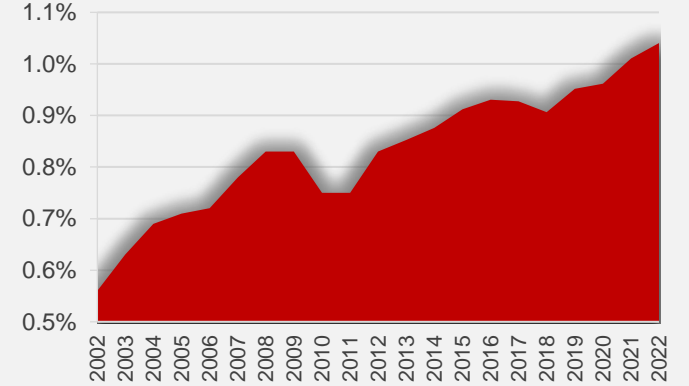
MERCHANDISE EXPORTS BY GEOGRAPHY



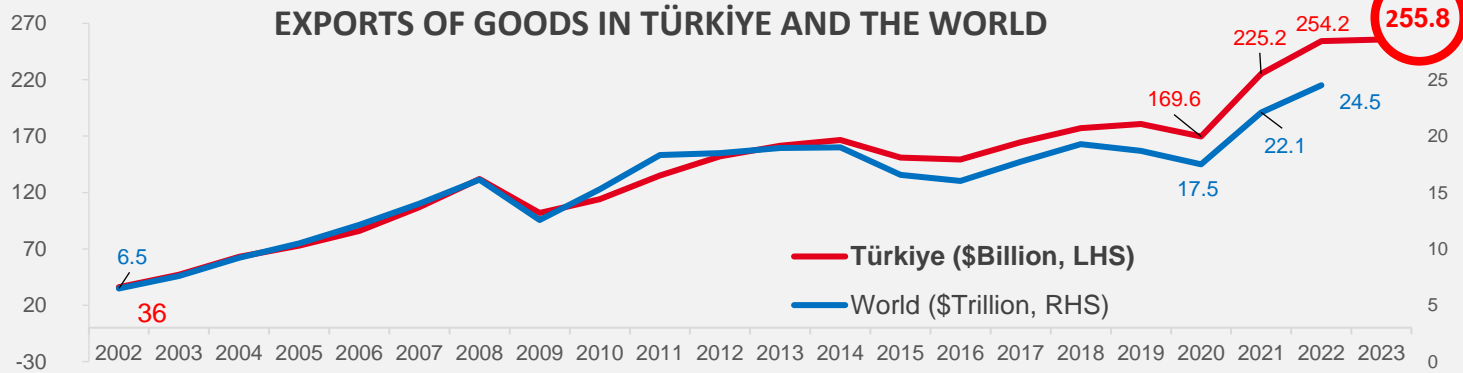
NUMBER OF EXPORT PRODUCTS OVER USD 1 BILLION



TÜRKİYE'S SHARE IN GLOBAL EXPORTS OF GOODS



EXPORTS OF GOODS IN TÜRKİYE AND THE WORLD



Türkiye Records All-Time High Exports in 2023

ANNUAL AVERAGE GROWTH OF EXPORTS (2002-2022)



STRATEGIC LOCATION

HUB FOR MULTINATIONALS TO MANUFACTURE, EXPORT AND MANAGE



PROXIMITY TO MAJOR MARKETS

1.3 billion people and \$26T GDP in Europe, MENA and Central Asia at 4 hour flight-distance

CONNECTIVITY

Turkish Airlines connects you to 323 destinations in 127 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

Working Hours Intersect with 16 Time Zones



66 Countries



70 Countries



Production base for MENA



Its largest production facility worldwide



89 Countries



22 Countries



63 Countries



80 Countries



Exporting 85% of its production



Exporting 87% of its production



14 Countries



30 Countries

DOMESTIC + ACCESSIBLE MARKETS

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA



Customs Union
with the EU allows
direct access to the
EU Market

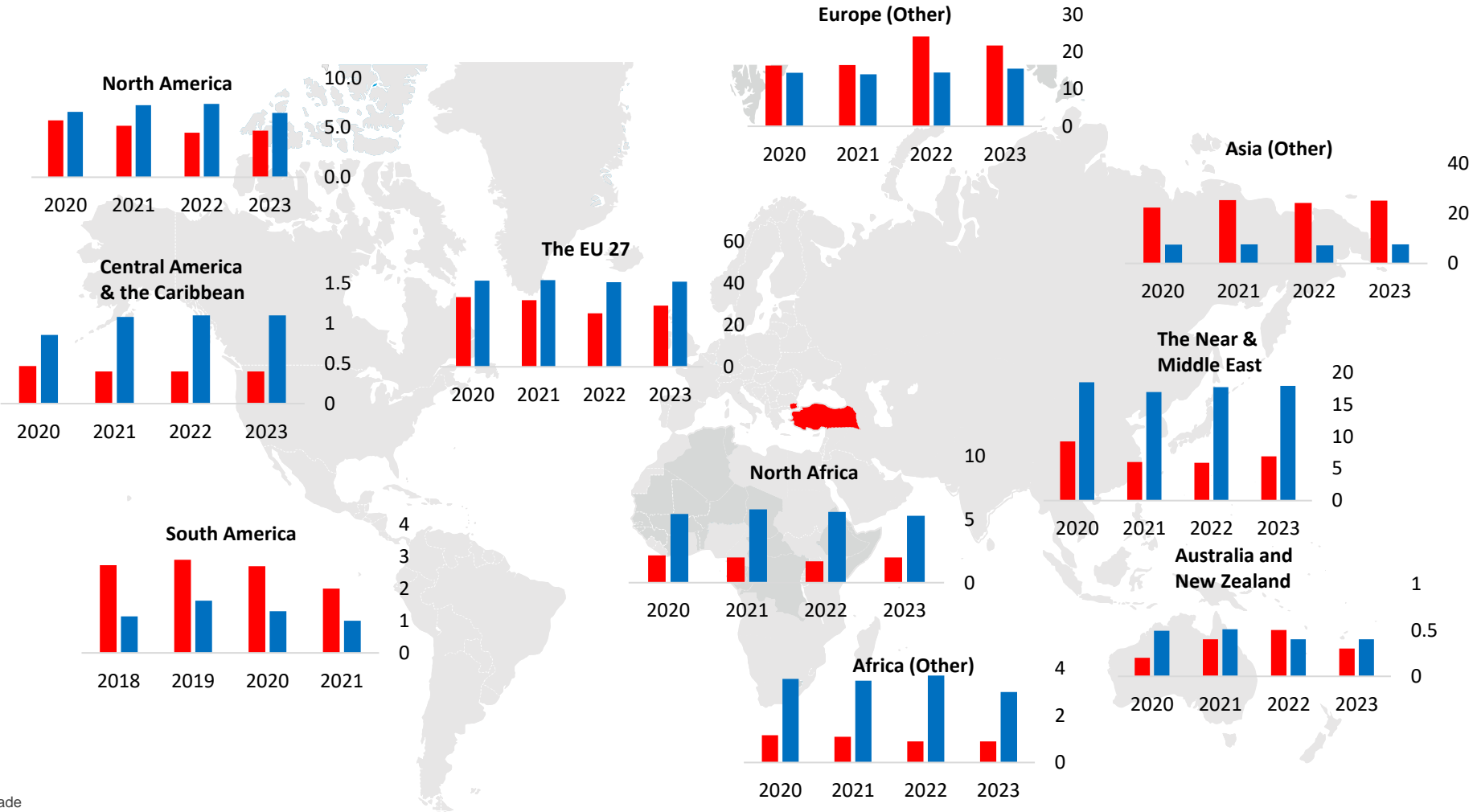


TRADE ACTIVITY WITH COUNTRY GROUPS

UPGRADED LOGISTIC INFRASTRUCTURE INCREASED FOREIGN TRADE ACTIVITIES ACROSS THE GLOBE



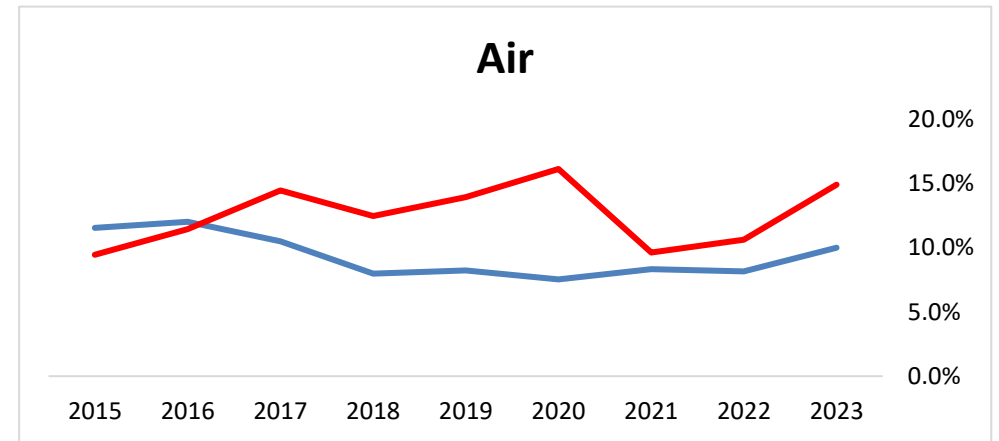
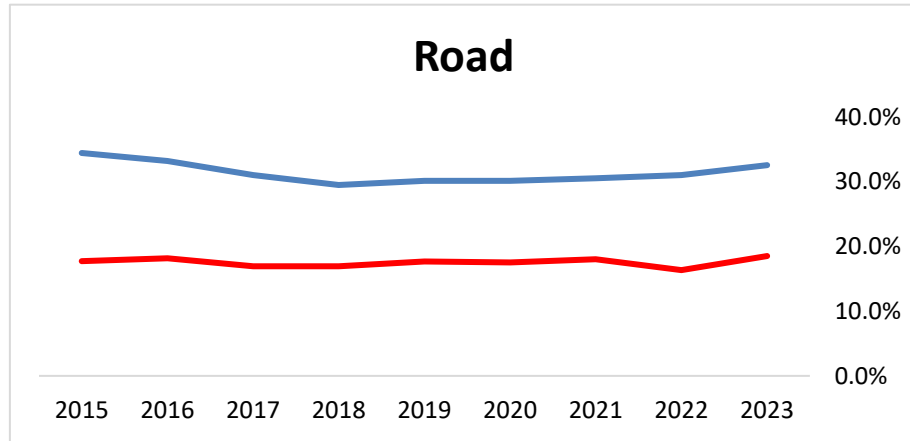
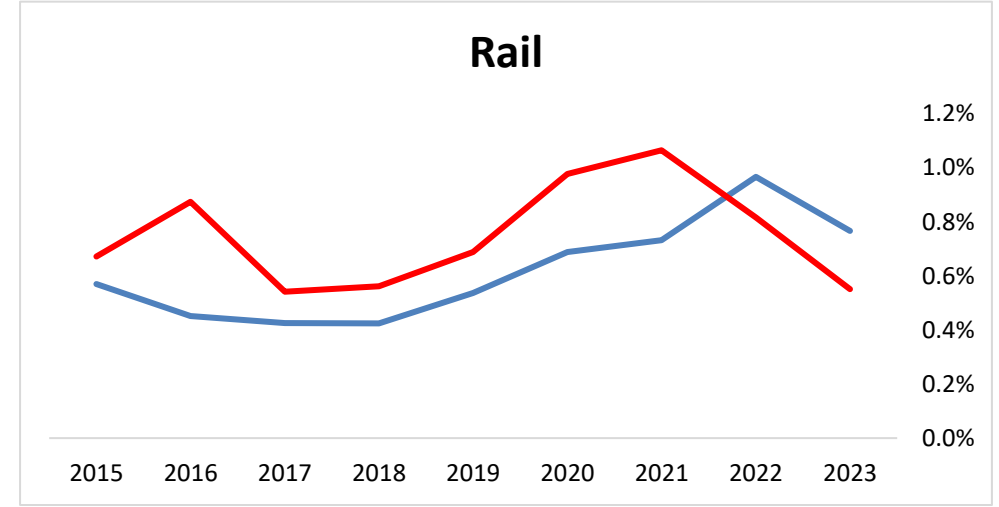
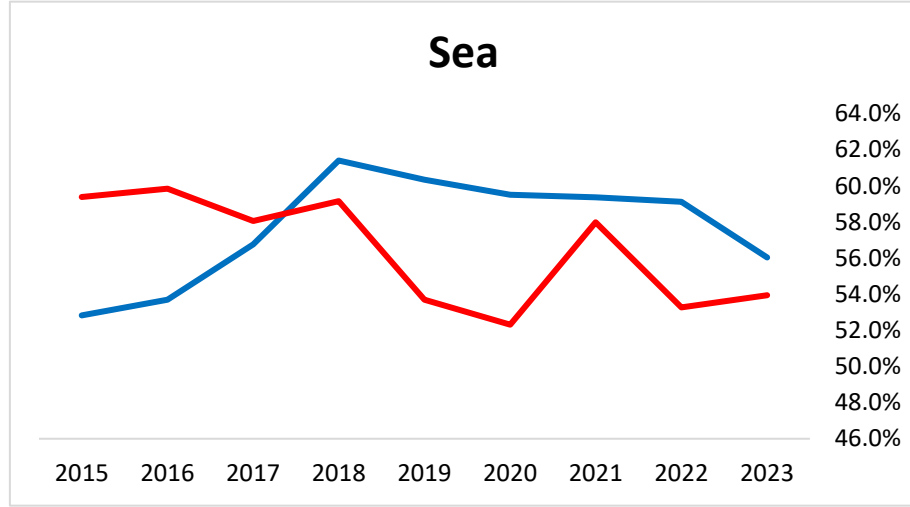
- ❖ Main export partners of Türkiye: Germany, the USA, the UK, Iraq and Italy.
- ❖ Main import partners of Türkiye: China, Russia, Germany, the USA and Italy.



Source: Turkstat, Ministry of Trade
*Shares in Total

LOGISTICS ACTIVITY IN TÜRKİYE

EXPORTS AND IMPORTS BY VALUE OF GOODS AND BY MODE OF TRANSPORTATION



■ Import (by value of goods)

■ Export (by value of goods)

Source: Turkstat
 Note: Share of other modes (Postal and courier activities) are about 0,7% in export and 12,1% in import for 2023.

MAJOR PLAYERS IN LOGISTICS INDUSTRY



INSTITUTIONAL ACTORS IN LOGISTICS INDUSTRY



REPUBLIC OF TURKEY
MINISTRY OF TRANSPORT
AND INFRASTRUCTURE

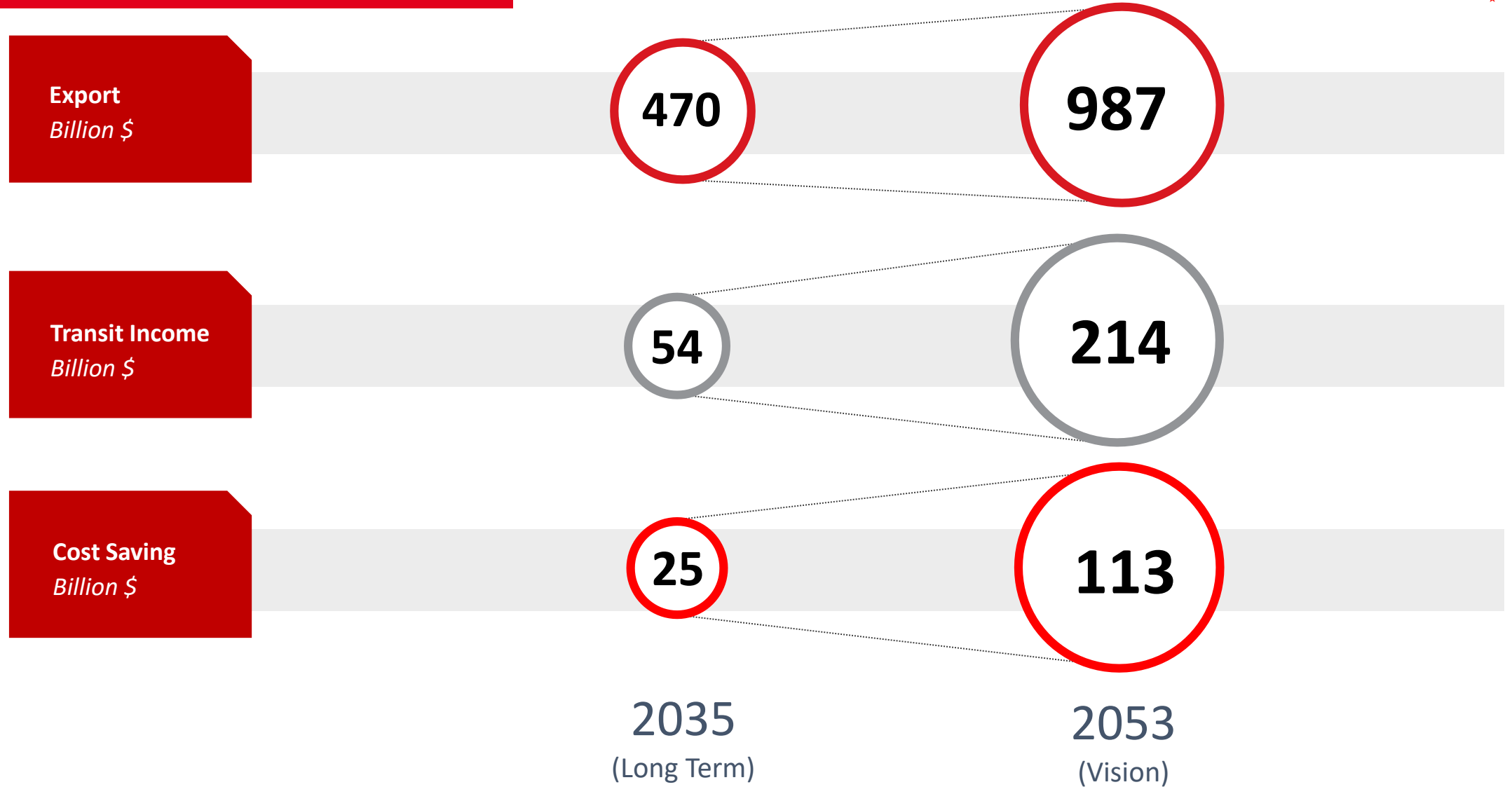


REPUBLIC OF TURKEY
MINISTRY OF TRADE



NEW LOGISTICS MASTER PLAN

SIGNIFICANT CONTRIBUTIONS IS EXPECTED FROM
LOGISTICS MASTER PLAN



AGENDA



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**LOGISTICS
CAPABILITIES
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GREEN AND
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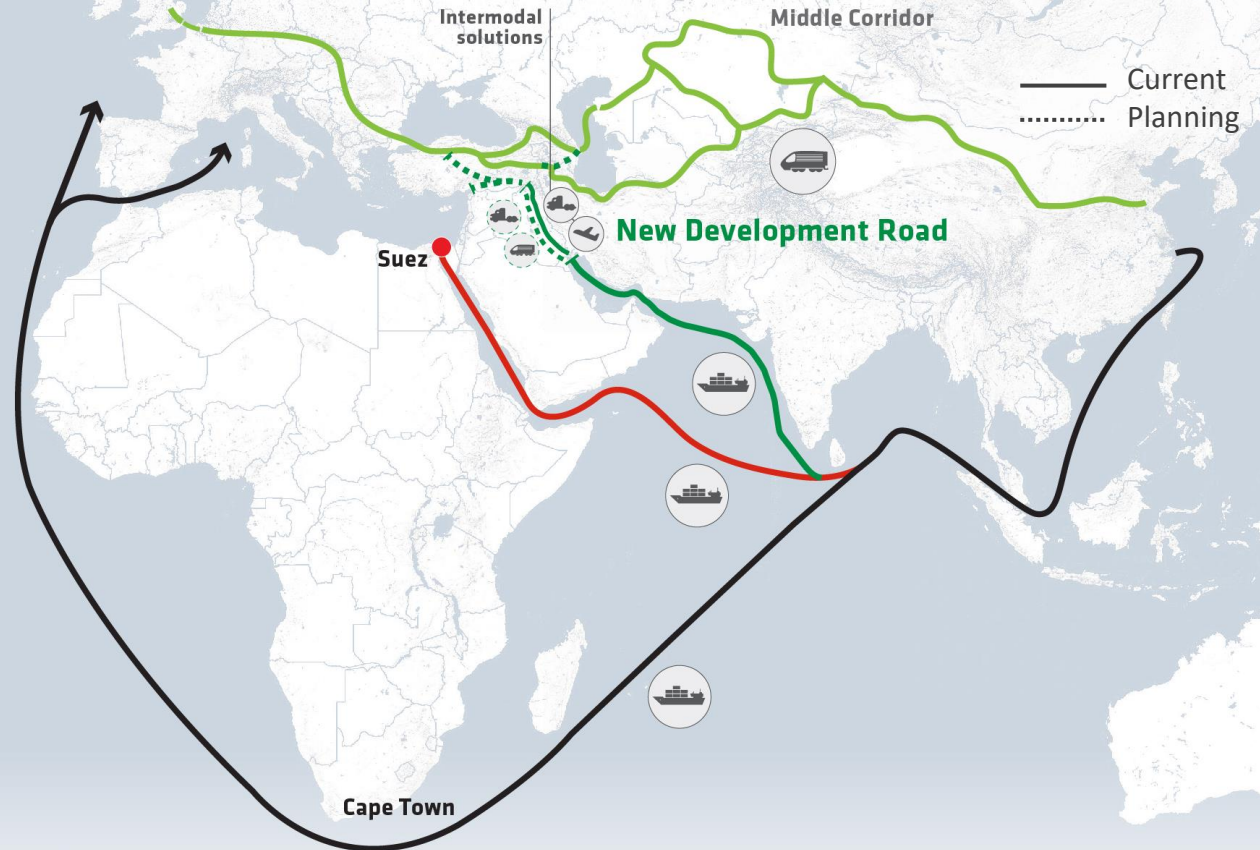


TÜRKİYE'S LOGISTICS ADVANTAGES

TÜRKİYE; YOUR RESILIENT PARTNER, PROVIDING DIVERSE ROUTES THROUGH EVERY CRISIS



Drewry WCI: Shanghai to Rotterdam



SUEZ CANAL ROUTE

18.250 KM

25.5 Days

THE CAPE ROUTE

25.000 KM

34 Days

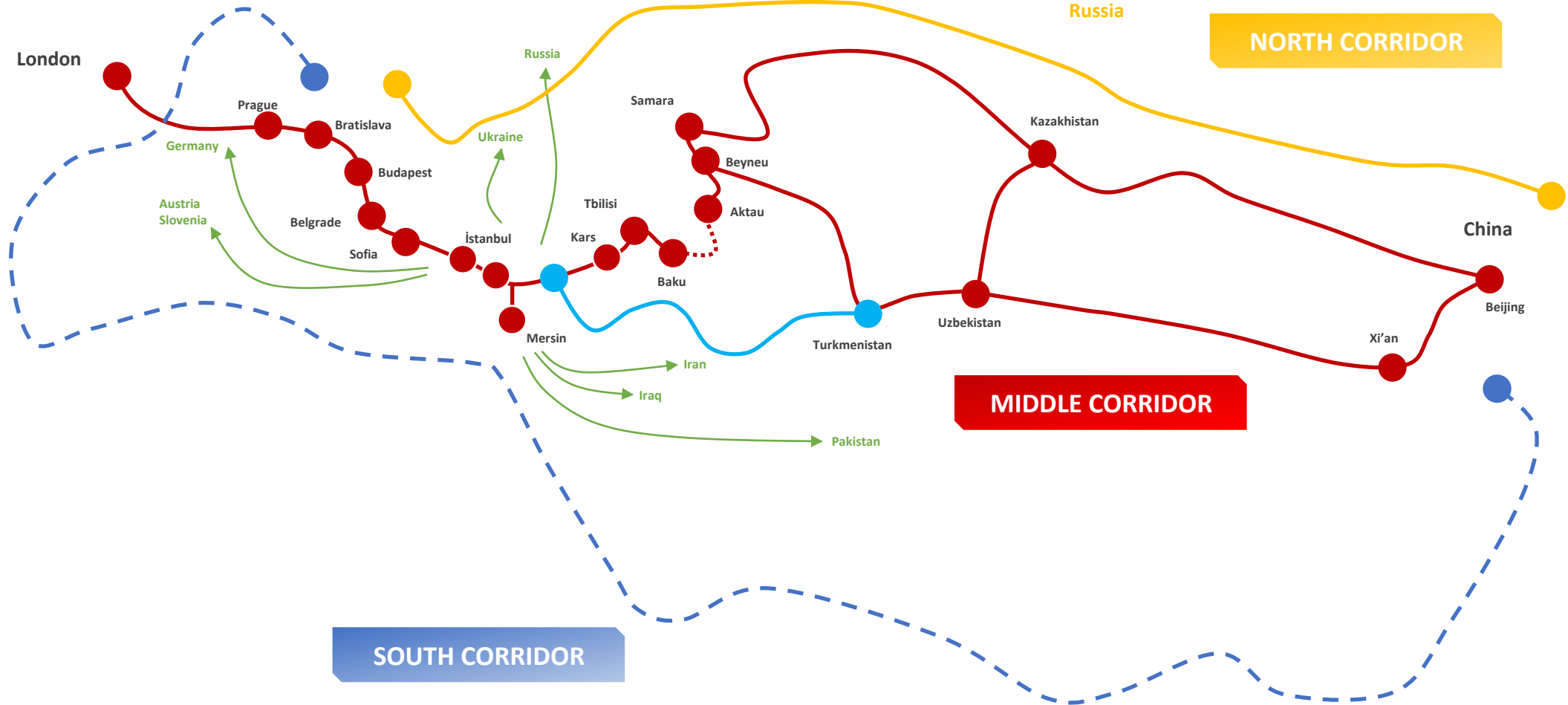
MIDDLE CORRIDOR

11.500 KM

12 Days

TÜRKİYE'S LOGISTICS ADVANTAGES

THE MIDDLE CORRIDOR IS MORE ECONOMICAL AND FASTER COMPARED TO THE NORTHERN CORRIDOR AS A TRADE ROUTE BETWEEN EUROPE AND ASIA



TÜRKİYE'S LOGISTICS ADVANTAGES

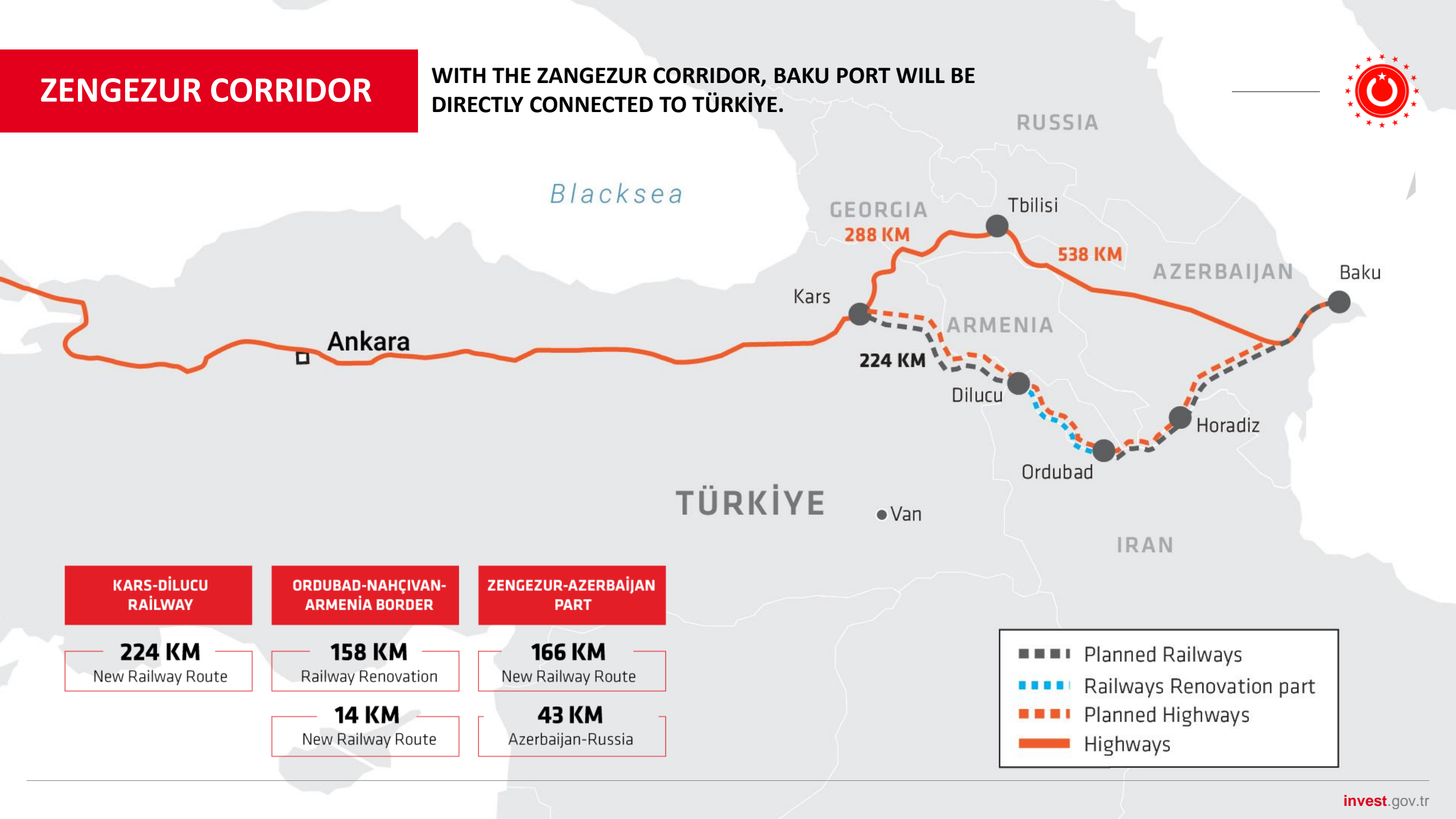
ON 7TH NOVEMBER 2019, FREIGHT TRAIN DEPARTED CHINA AND WENT CENTRAL EUROPE BY PASSING BELOW THE BOSPHORUS VIA ISTANBUL'S MARMARAY TUNNEL FOR THE FIRST TIME



Route of First Train: China H.C. (Xi'an)-Kazakhstan-TÜRKİYE-Azerbaijan-Georgia-Bulgaria-Serbia-Hungary-Slovakia Czech Republic (Prague): 11,500 km

ZENGEZUR CORRIDOR

WITH THE ZANGEZUR CORRIDOR, BAKU PORT WILL BE DIRECTLY CONNECTED TO TÜRKİYE.



KARS-DİLUCU RAILWAY

224 KM
New Railway Route

ORDUBAD-NAHÇIVAN-ARMENIA BORDER

158 KM
Railway Renovation

14 KM
New Railway Route

ZENGEZUR-AZERBAIJAN PART

166 KM
New Railway Route

43 KM
Azerbaijan-Russia

- Planned Railways
- Railways Renovation part
- Planned Highways
- Highways

DEVELOPMENT ROAD

DEVELOPMENT ROAD THAT WILL TRANSPORT THE CARGO COMING TO IRAQ VIA INDIA, EAST ASIA AND THE PERSIAN GULF TO EUROPE.



REPUBLIC OF TÜRKİYE INVESTMENTS

615 KM

Railway

320 KM

Highway

7,8 Billion \$

Total Investment

REPUBLIC OF IRAQ INVESTMENTS

1200 KM

Railway + Highway

2X3

Highway

16 Billion \$

Total Investment

ANNUAL CAPACITY

4.7 Million

TEU Container

28,5 Million Ton

Bulk Cargo



LOGISTICS CAPABILITIES OF TÜRKİYE

EUROPE | SEA / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

ASIA | SEA / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

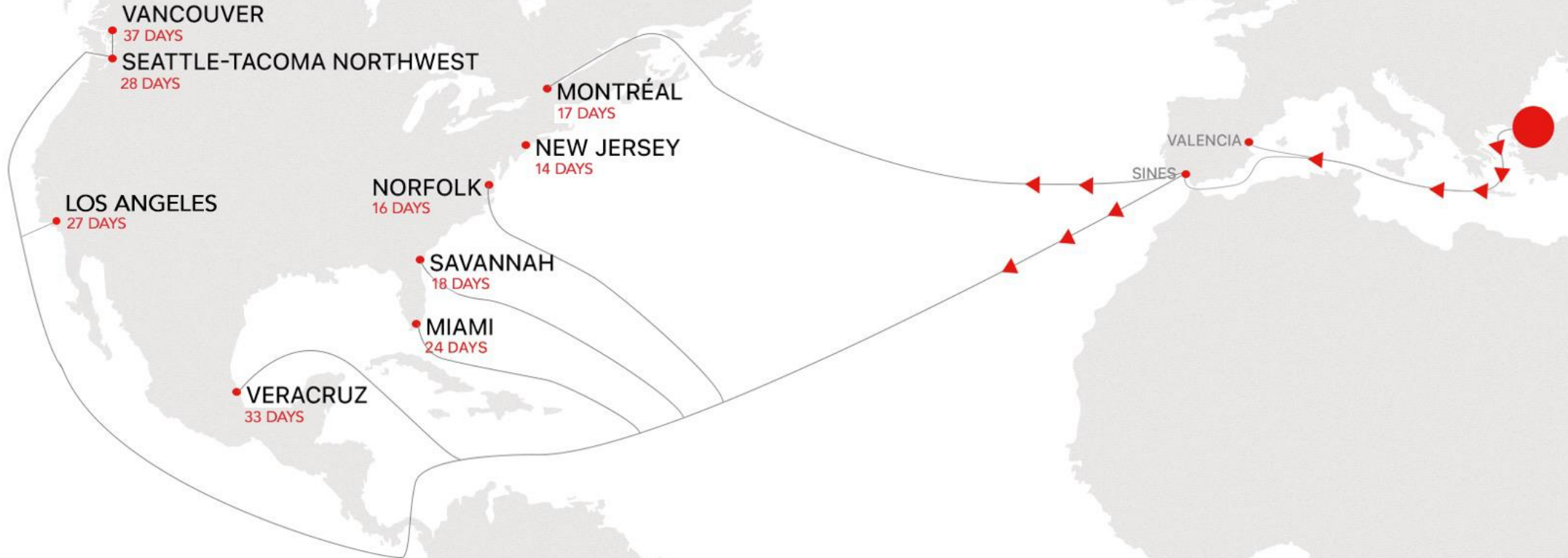
AFRICA | SEA / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

NORTH AMERICA | SEA / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

SOUTH AMERICA | SEA/EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

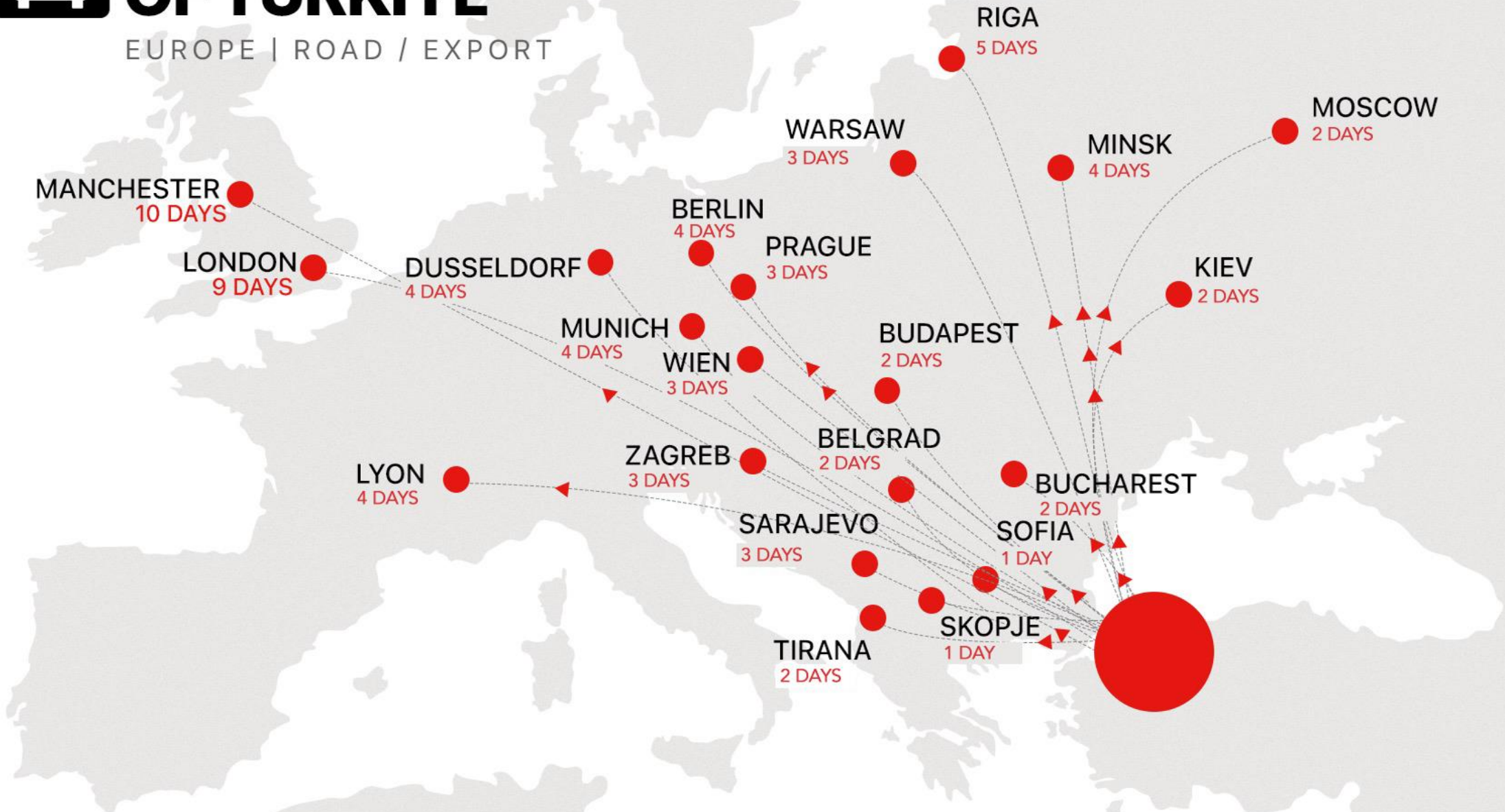
AUSTRALIA | SEA / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

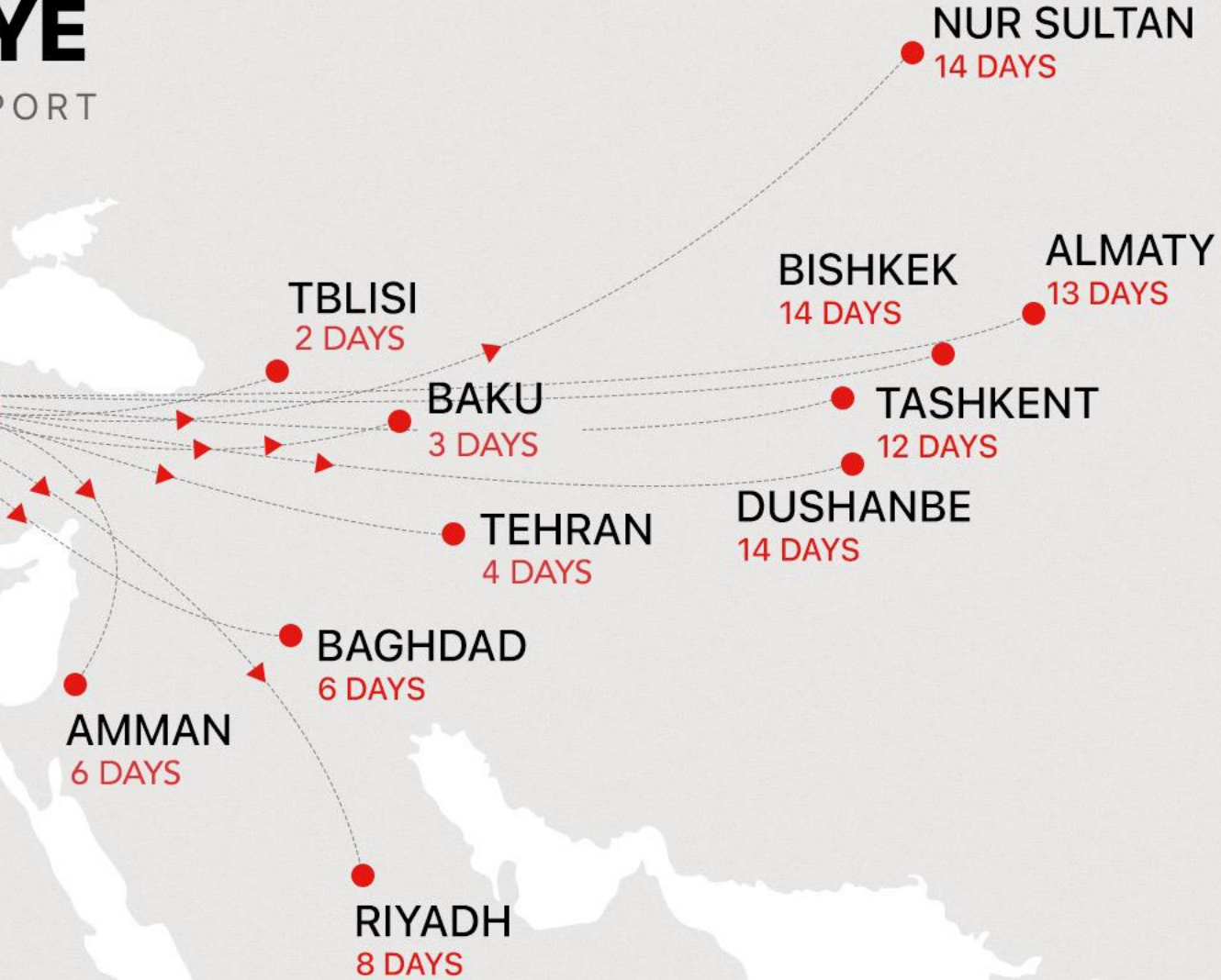
EUROPE | ROAD / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

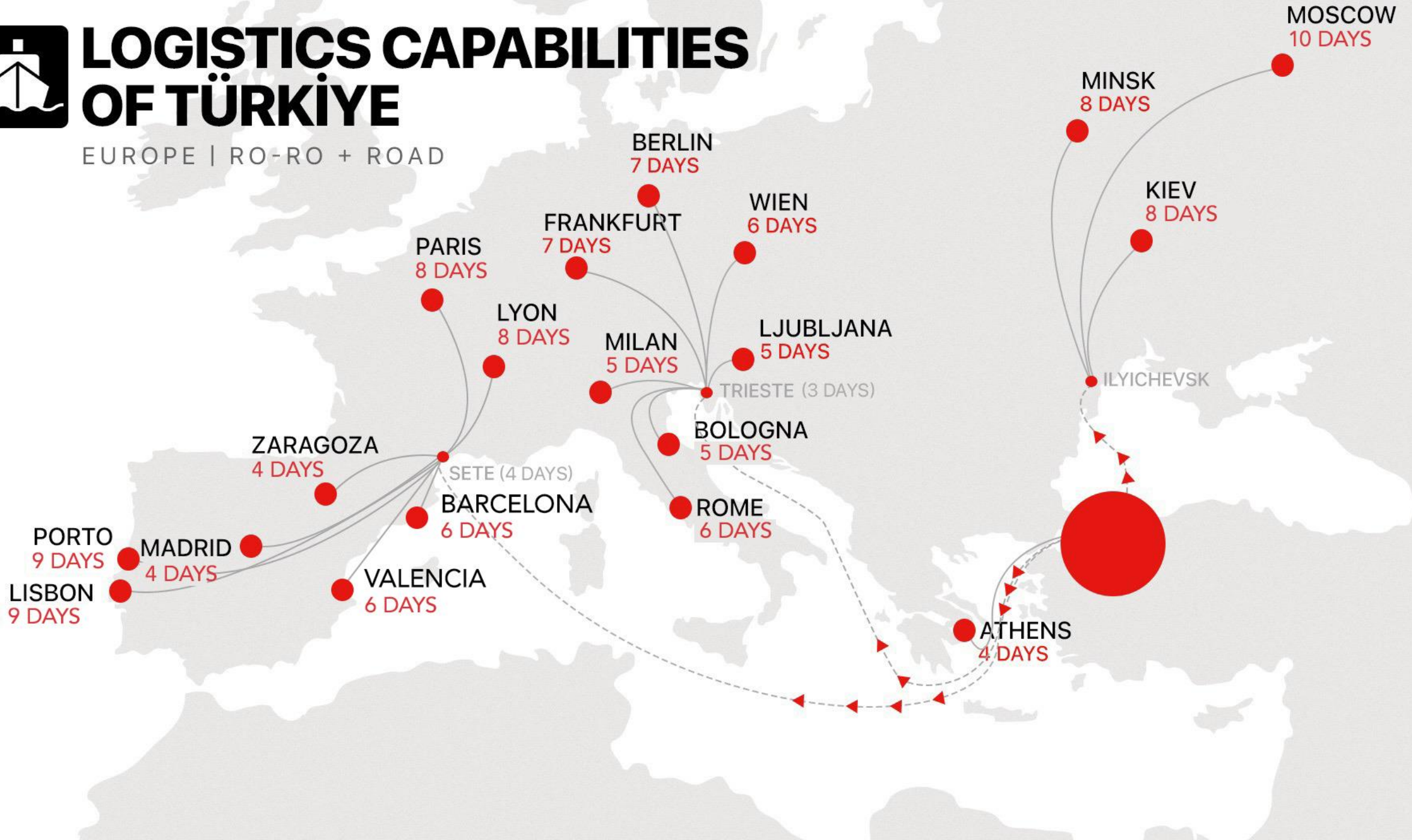
ASIA | ROAD / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

EUROPE | RO-RO + ROAD





LOGISTICS CAPABILITIES OF TÜRKİYE

EUROPE | RO-RO + BLOCK TRAIN





LOGISTICS CAPABILITIES OF TÜRKİYE

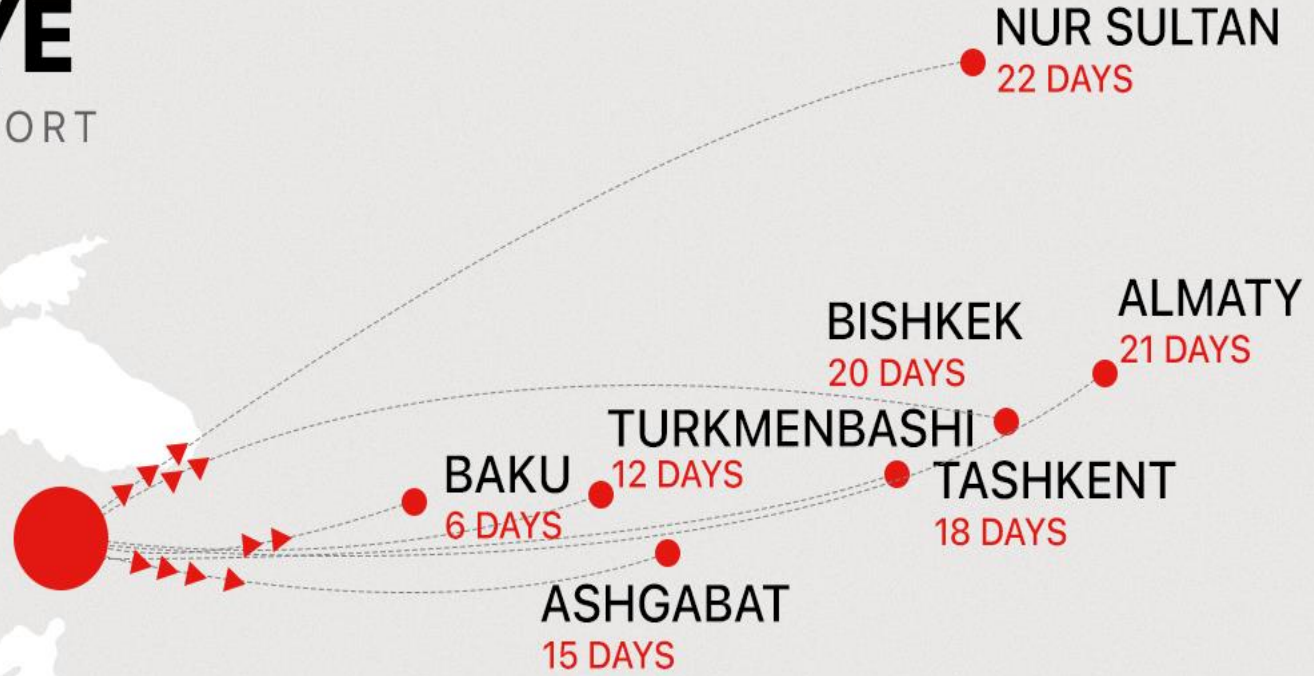
EUROPE | TRAIN / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

ASIA | TRAIN / EXPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

ASIA | SEA / IMPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

EUROPE / N. AFRICA | SEA / IMPORT





LOGISTICS CAPABILITIES OF TÜRKİYE

AMERICA | SEA / IMPORT



ISTANBUL AS A MEGA HUB

Wide Body Range
B777F Range
~14 Hours

Narrow Body Range
~2 Hours

7 Hours Distance

~5 Hours

~10 Hours

A330F Range

~12 Hours

B777F Range

Fleet




294 Narrow Body
119 Wide Body
24 Freighter

104 freighter destinations

It is expected to reach 120 destinations by 2028

In 7 hours flight distance:

- **40%** of World's passenger & cargo traffic
- **Over 60** capitals

-  Freighter
-  Wide-Body Aircraft
-  Narrow-Body Aircraft



AGENDA



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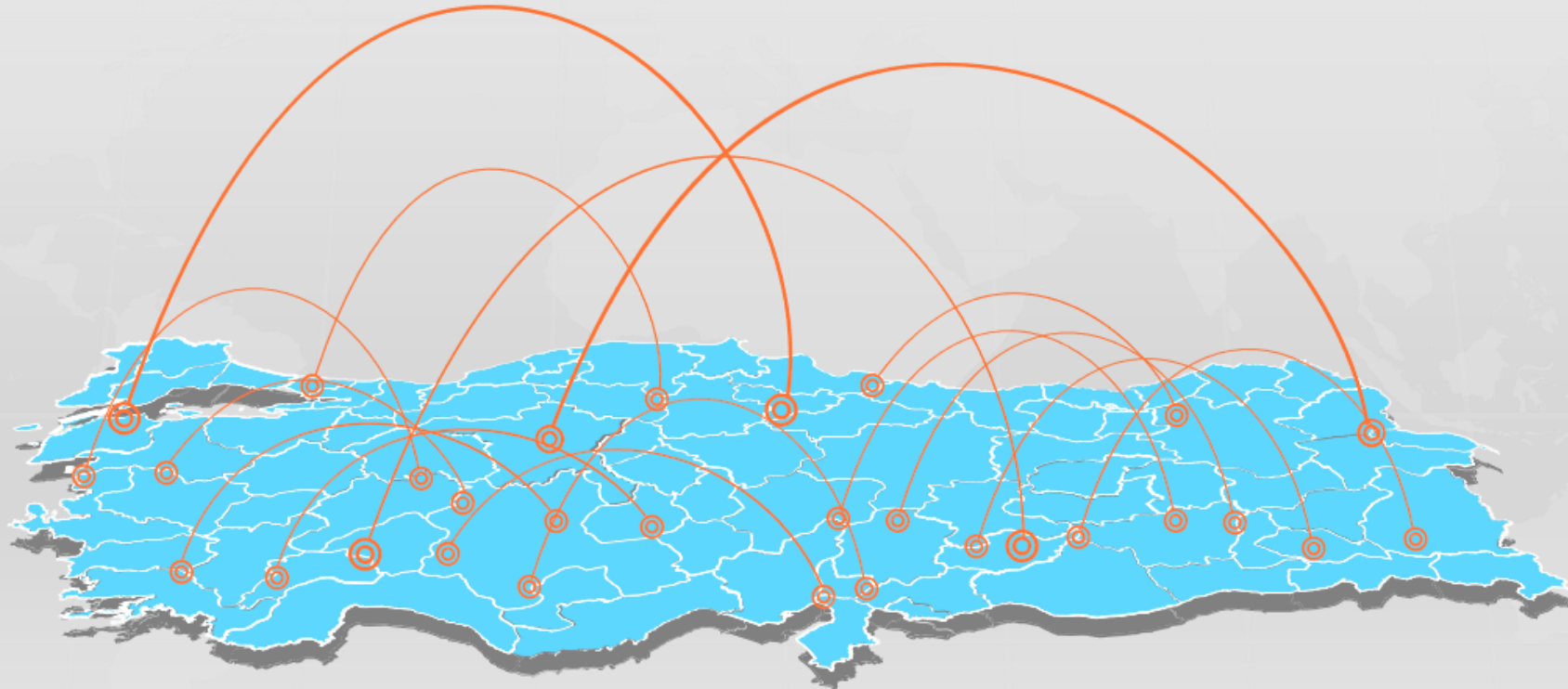
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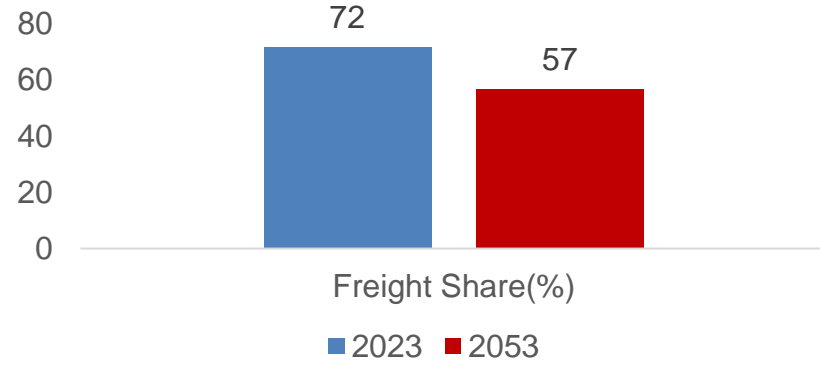


NET ZERO

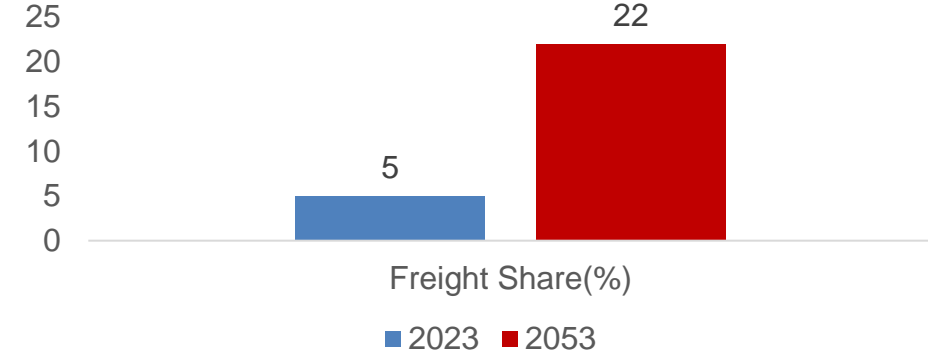
TÜRKİYE 2053 NET ZERO EMISSIONS TARGET



Share of Road in Freight Transportation



Share of Rail in Freight Transportation



MEGA PROJECTS LESSEN CARBON EMISSIONS



**25
Million
Ton**

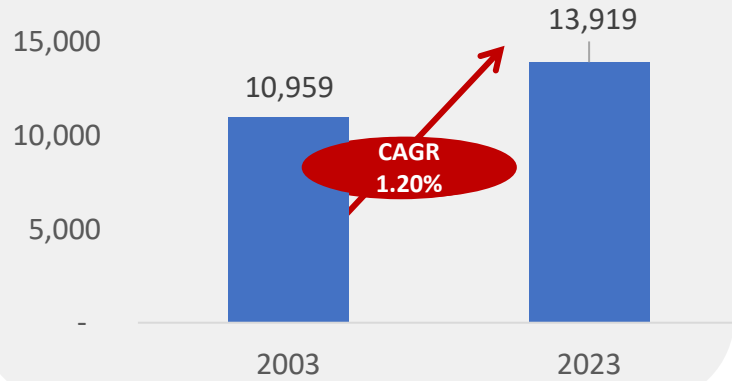


CHANNELING SOURCES TO RAILWAY SECTOR

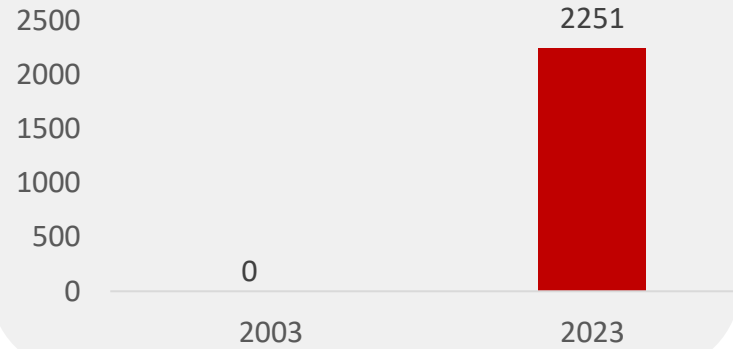
TÜRKİYE HAS DONE A LOT FOR THE PAST 20 YEARS TO UPGRADE ITS RAILWAY SECTOR



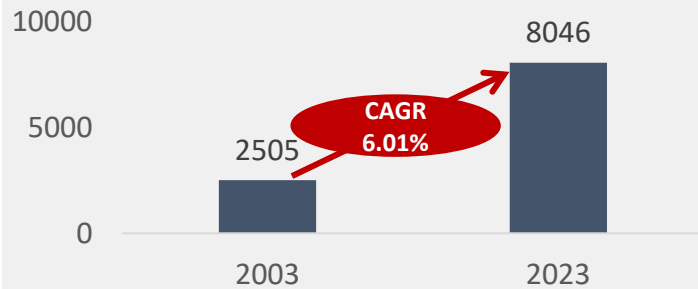
Total Railway Network



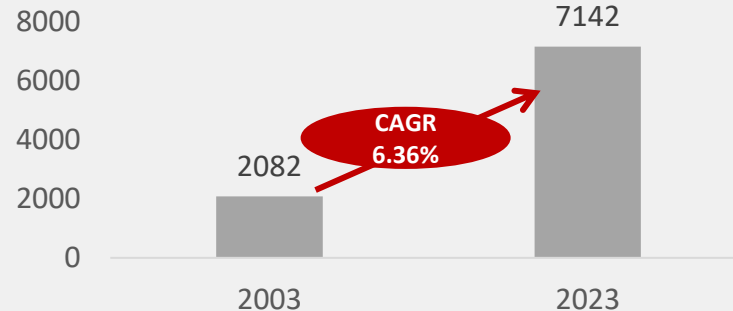
High Speed Railway Network



Signaled Railway Network

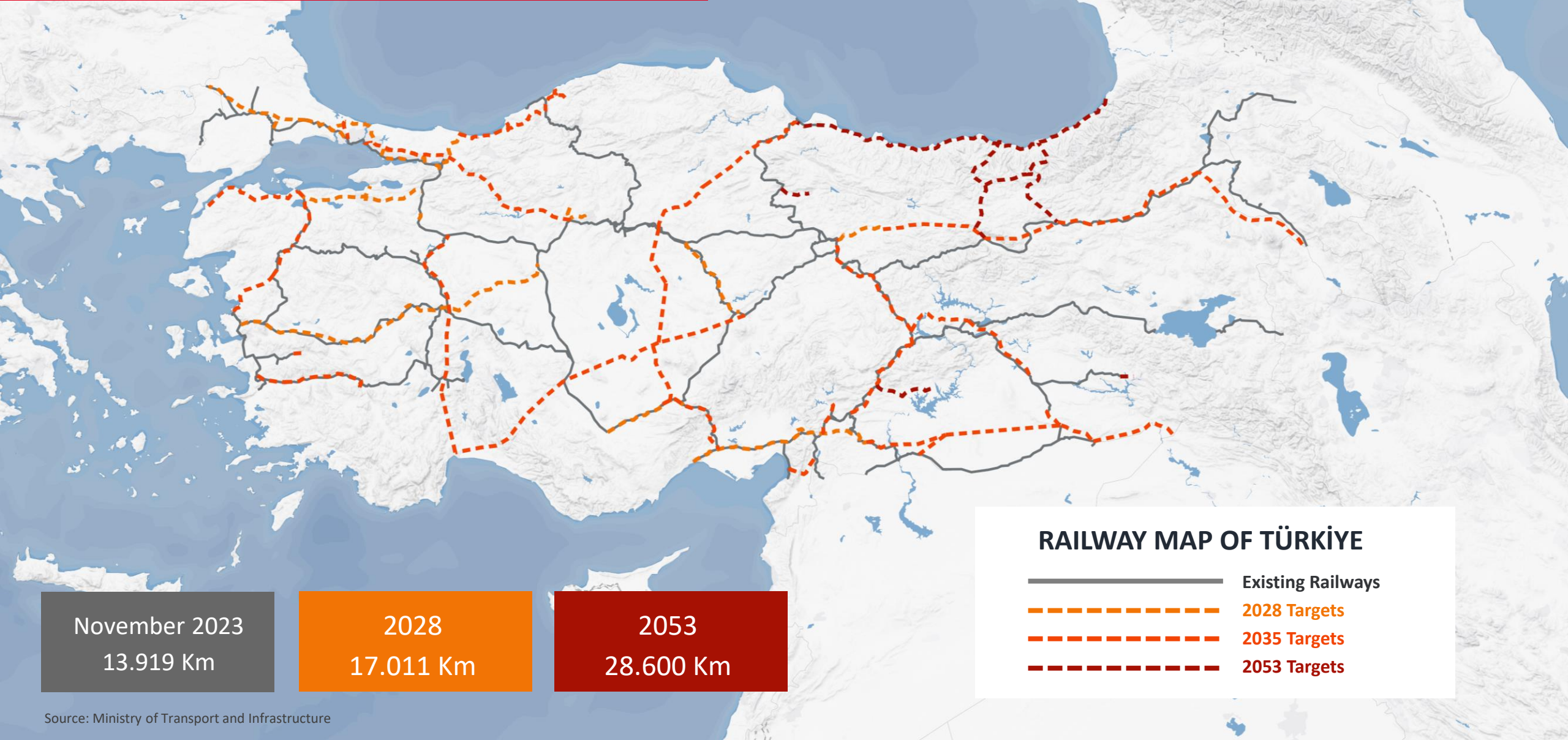


Electrical Railway Network



CHANNELING SOURCES TO RAILWAY SECTOR

TÜRKİYE IS COMMITTED TO TRANSFORMING
ITS RAIL TRANSPORT INFRASTRUCTURE FROM
CONVENTIONAL TO HIGH SPEED



November 2023
13.919 Km

2028
17.011 Km

2053
28.600 Km

RAILWAY MAP OF TÜRKİYE

- Existing Railways
- 2028 Targets
- 2035 Targets
- 2053 Targets

CHANNELING SOURCES TO RAILWAY SECTOR

LOGISTICS IS AN INTEGRAL PART OF TÜRKİYE'S TRANSPORT INFRASTRUCTURE. TÜRKİYE HAS ESTABLISHED INTERMODAL LOGISTICS CENTERS ALONGSIDE THE TRANS-ASIAN RAILWAY NETWORK



In Service and Completed (14)



Planned (7)



Under Construction (4)



In Tender Stage (2)



LOGISTICS CENTERS



27 logistics centers



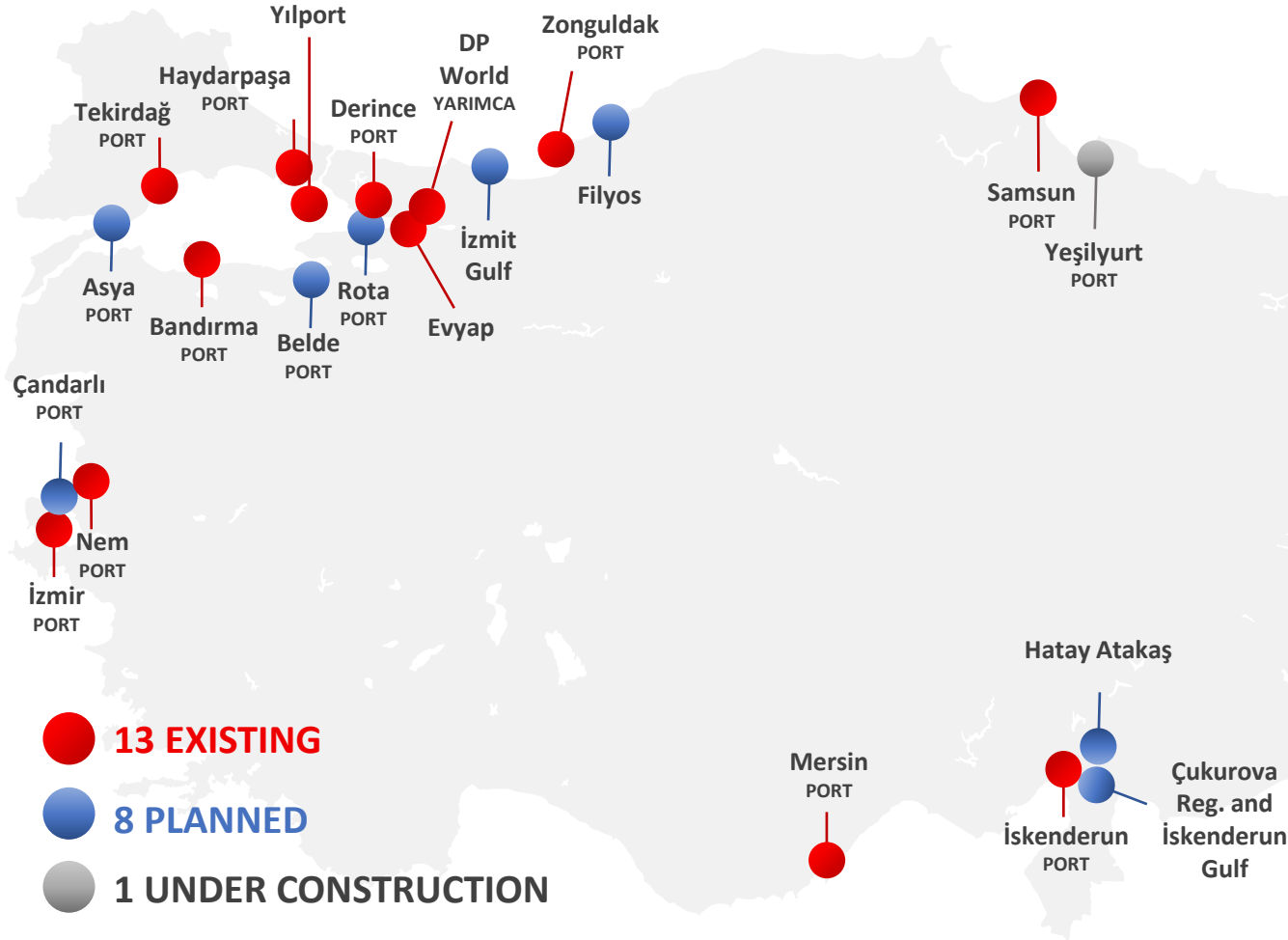
73.2 million tons additional transport capacity



19 million m² container storage and handling area

JUNCTION LINES CONNECTED TO PORTS

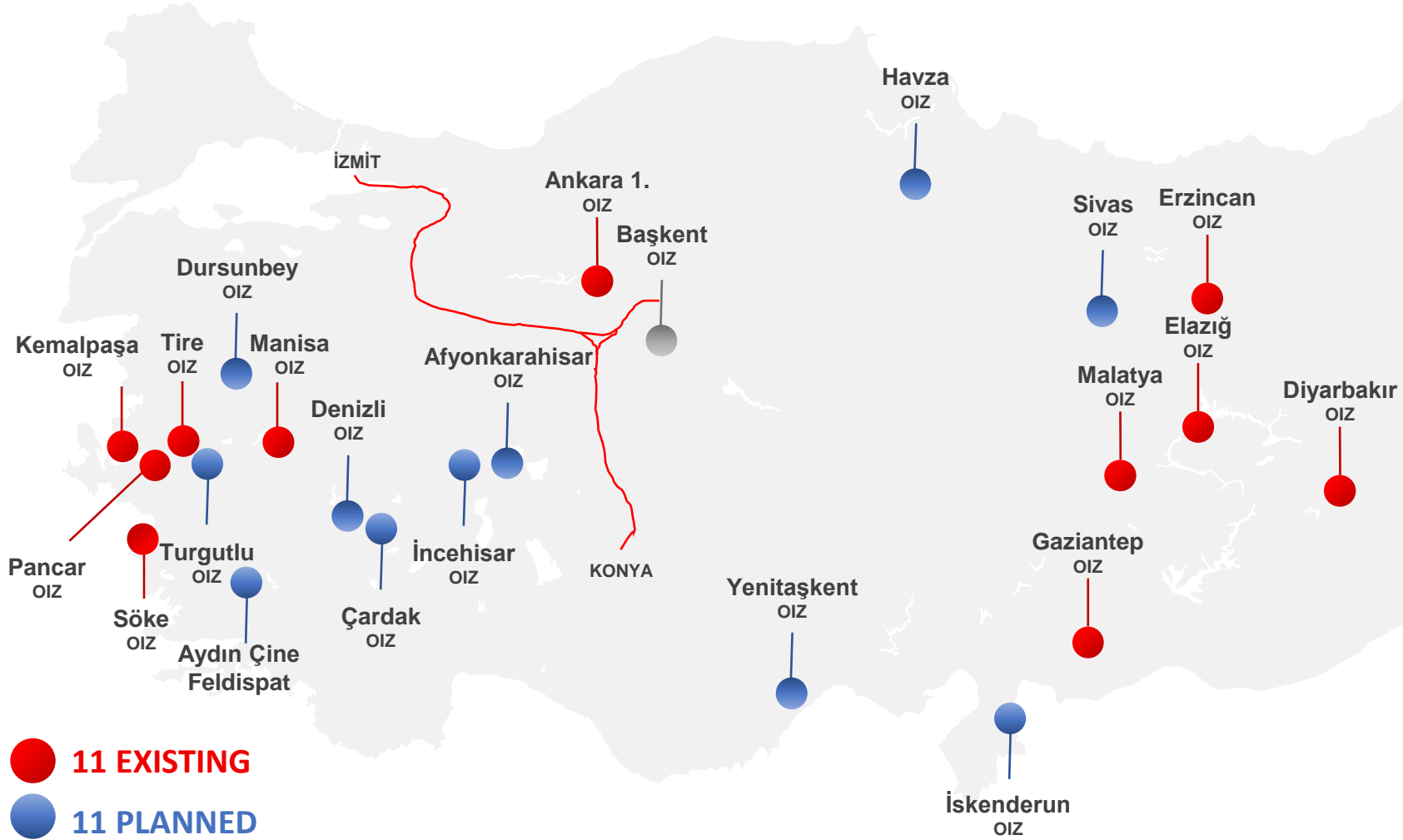
JUNCTION LINE INVESTMENTS CONTINUE FOR PORTS



PORT CONNECTIONS					
EXISTING LINES	Km	UNDER CONSTRUCTION	Km	PLANNED	Km
H. Paşa	2.5	Samsun Yeşilyurt Gelemen	6.76	Belde Port	1
İzmir	5.3			Rota Port	1.5
Nemport	3.4			Hatay Atakaş	3
Bandırma	5.1			Asyaport	4
Mersin	13.8			Çukurova Reg. and Iskenderun Gulf	36
Samsun	14.6			Filyos Port	12
İskenderun	19.0			İzmit Gulf Industrial Centers	10
Derince	7.5			İzmir Çandarlı	7
Tekirdağ	1.6				
Zonguldak	1.7				
Yılport	0.2				
Evyap	1.9				
DP World Yarımca	1.0				
Kozlu Pier	4.3				
Ekinciler Pier	3.3				
Gübretaş Pier	0.3				
İsdemir Pier	3.0				
TOTAL	88.5		6.8		74.5

JUNCTION LINES CONNECTED TO OIZS

THE SHARE OF RAILWAYS IN COMBINED TRANSPORTATION APPLICATIONS IS INCREASED WITH THE JUNCTION LINES CONSTRUCTION IN ORGANIZED INDUSTRIAL ZONES, WHICH HAVE A HIGH SHARE IN FREIGHT TRANSPORTATION



EXISTING LINES	KM	UNDER CONSTRUCTION LINES	KM	PLANNED LINES	KM
Ankara 1. OIZ	8.6	Başkent OIZ	3.75	Havza OIZ	3.45
Pancar OIZ	1.25			Sivas 2.OIZ	1
Tire	0.62			Yenişehir OIZ	16
Kemalpaşa	27.8			İskenderun OIZ	4.2
Manisa	7.6			Afyonkarahisar OIZ	12
Erzincan OIZ	9.11			İscehisar OIZ	12
Elazığ OIZ	1.41			Çardak OIZ	2.3
Diyarbakır OIZ	4			Denizli OIZ	1
Malatya OIZ	0.87			Aydın Çine Feldispat OIZ	7
Gaziantep (Başpınar) OIZ	9			Turgutlu OIZ	1.5
Söke (OIZ)	1.27			Dursunbey OIZ	4
	71.5				64.45

SHOWCASE

TURKISH CARGO HAS BEEN SELECTED AS THE BEST AIR CARGO BRAND IN EUROPE IN THE FIELD OF SUSTAINABILITY



Turkish Cargo has made the choice of environmentally-friendly containers for the transport of the temperature-sensitive cargo. Thanks to such containers, temperature-sensitive cargo is shipped without carbon emission and within the desired temperature range from the point of origin to the destination in an environment friendly way.





Omsan Logistics won the Gold award with its "Green and Integrated Logistics Services" and the Silver award with its "Multimodal and Sustainable Logistics Solutions"



TRABZONPORT was chosen as "Europe's Best Employer"



ATA Freight, was awarded a Bronze Recognition for its Sustainability Rating from EcoVadis.



1

Growing
renewables
sector



2

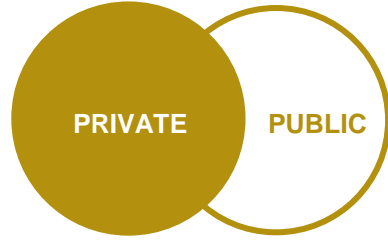
Less shipping
distance
provides less
carbon footprint



3

Growing
infrastructure
investments

Türkiye to be *more lucrative*
location for **three reasons**



**PRIVATE SECTOR APPROACH
WITH PUBLIC SECTOR CAPABILITIES**



**A GOVERNMENTAL AGENCY
REPORTING TO THE PRESIDENT**



**ACTING AS YOUR
SOLUTION PARTNER**



General & customized
business information &
Sectoral analysis & reports



Site selection support to
find appropriate location/
land for your investment



Arrangements of meetings
with governmental bodies
and other stakeholders



Aftersales



Facilitating your
investment at all stages



Matchmaking with local
partners & establishing
business linkages



Project launch & Press
release Services



Facilitating your visit
to TÜRKİYE



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**



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